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Ghana: long and hard road to recovery, Page 14

Bomb blast kills three at Frankfurt airport

mb exploded in a crowded departure lounge at Frankfurt's interna- al airport, killing three people and wounding 28. Two of the dead were lren and the other a man. There was no warning before the explosion no group immediately claimed responsibility.

e bomb shattered windows throughout the building, destroying bag- in the area and bringing a full size replica of a World War One fighter raft crashing down from the ceiling.

Hopes for Beirut hijack hostages focus on Red Cross

HOPES of securing the early release of the 30 to 40 American hostages held by Shia gunmen were strongly focused yesterday on a possible intervention by the International Committee of the Red Cross, write **Nora Boustany and Tony Walker in Beirut.**

However, it was still unclear last night as to whether the Red Cross was prepared to act as a conduit between the U.S. and Israel with the aim of liberating the 700 Shia prisoners held in an Israeli prison camp.

M Jean Jacques Kurz, a Red Cross spokesman in Geneva, confirmed that there had been an approach from the U.S. asking the Red Cross to determine Israeli plans for releasing the Shia prisoners whose freedom is being demanded by the Beirut hijackers as a condition for releasing the hostages.

Mr Kurz added, however, that "for the time being we are not negotiating, but if a decision is made by others, we are ready to put it into practice."

While apparently ready to move, the Red Cross stressed that it was not its function to act as an intermediary between two governments such as the U.S and Israel who have permanent and direct contacts.

However, there were no public signs yesterday that the U.S. was about to ask Israel to release its Shia prisoners. Mr George Shultz, U.S. Secretary of State, repeated President Ronald Reagan's statement at a news conference on Tuesday night that the U.S. would make no concessions to the gunmen who hijacked the Trans World Airlines jet on Friday.

Mr Shultz said that Mr Nabih Berri, the Shia leader who is also Lebanon's Minister for Justice, was risking international ostracism for himself and his country if the hostages are not released.

"We will not make concessions to the terrorists, nor will we press other states to do so," he said.

Diplomats in Beirut note that a third party may be needed to approach the International Committee of the Red Cross (ICRC) to help resolve the hijack crisis now ending its first week.

It is considered significant that Mr Reagan at his press conference was critical of the Israeli decision in April to remove the Shia prisoners from southern Lebanon to Israel.

"It is my understanding that taking them across the border from their own country and into another country is a violation of the Geneva accords," Mr Reagan said.

Several Western governments, including that of the U.S. criticised Israel when it transported the Shias across the international border. There was speculation at the time that they were being transferred to Israel as possible pawns in a future prisoner exchange should any Israelis fall into Shia hands.

Meanwhile, there is an uneasy calm in Beirut as the next move is awaited. Mr Berri has said he will "abandon" the hostages to the hijackers if demands for the return of Shia prisoners are not met.

Sketchy details are emerging about the fate of the mainly American hostages who are being held at several secret locations in Beirut. According to well-informed sources, eight passengers with Jewish-sounding names are prisoner at one location under the guard of Hezbollah (party of God), a militant Shia group with close links to Iran. It is thought that the original two hijackers who commandeered the TWA airliner last Friday on a flight from Athens to Rome are members of Hezbollah.

The larger batch of more than 30 is believed under the control of the Shia Amal militia. Mr Berri has been authorised by the hijackers to negotiate on their behalf.

The pilot of the hijacked aircraft appealed yesterday to the U.S. Government not to try a rescue operation. "I think we would all be dead men because we are surrounded by many, many guards," Captain John Testrake told an American Broadcasting Company news crew.

He said he had no idea of what had happened to the passengers since they were removed from the aircraft. The three crew members had since taken up "quiet housekeeping here on the aircraft."

In a message to his family, Captain Testrake said: "I would like for my wife, my family and all of my other friends back in Missouri to know that the Lord has taken very good care of us so far and he has seen us through some very trying times and he will see us through to the end."

Airport security, Page 4

World news

Democrats deal blow to MX

: Democrat-controlled House of presentatives has dealt another w to President Ronald Reagan's : intercontinental missile pro- mme, voting to kill funds for any v missiles next year and cap de- yment at 40 out of the 100 that had sought. Page 4

ereals price cuts

e European Commission agreed press ahead with cereals price s of 1.8 per cent in the face of unting anger from West Ger- ny, which last week vetoed the luction. Page 2

adrid trial

o Lebanese Shia Moslems. ose release is sought by hijack- : holding about 40 American pas- gers in Beirut, went on trial in adrid accused of attempted mur- r.

mergency extended

mil separatist guerrillas agreed a ceasefire in Sri Lanka but the vernment has extended a nation- de state of emergency for a fur- er month.

onsul wounded

e Swiss consul in Istanbul was ot and wounded by a gunman af- r he refused to grant the man a vi- to enter Switzerland.

alesa warned

lish trade union leader Lech Wal- a said he was warned by the au- orities that he risked harsher eatment if he did not stop public tacks on government policies. The terior Ministry said they had cap- red Tadeusz Jedynak, a member f Solidarity's four-man under- round leadership. Page 2

Brigade woman held

he most wanted woman member f Italy's Red Brigade, Barbara Bal- erani, accused of being involved in s main operations, was arrested at Ostia, near Rome.

Colombia alert

Colombian security forces went on lert ahead of an illegal general trike called for today by commun- st trade unions.

Taiwan mine blast

Seven miners were killed by a gas explosion at a Taiwan coal mine when it reopened for the first time since 93 workers were killed in a shaft collapse last year.

Pershing count

The Bonn Government said 54 out of a planned total of 108 U.S. Pershing medium-range nuclear missiles had so far been stationed in West Germany, the first time a figure has been given on the deployment programme.

Israel pork ban

Israelis would be banned from breeding or selling pork under measures that won preliminary approval in parliament.

Dietrich wins case

Recluse film star Marlene Dietrich was awarded FFr 10,000 ($1,063) damages by a Paris court against an author and French publisher for invasion of privacy. The court ruled that the foreword to a book of photographs of her was an invasion of her private life.

Business summary

BT lifts profits by 24%

BRITISH TELECOM reported pre-tax profits of £1.48bn ($1.93bn) for the year ended March 31, 1985, a 24 per cent improvement on the previous year and the highest figure for a private UK company outside the oil industry. Lex, Page 16; Details, Page 20

TRANS WORLD AIRLINES union leaders formed a coalition to "pursue alternatives" to Texas Air's planned $925m takeover, including a possible employee buyout. Page 16

TOKYO stocks were pushed higher as the yen surged to its highest level this year. The Nikkei-Dow market average rose 32.48 to 12,773.59. Page 46

LONDON eased after a firmer opening. Gains in gilts were pared to one half in late trading. The FT Ordinary share index closed 2.90 down at 982.90. Page 46

WALL STREET: At the close the Dow Jones industrial average was down 7.39 at 1297.38. Page 46

DOLLAR closed in New York at 3.0385; SwFr 2.546; FFr 9.270, and Y247.8. It was weaker in London, falling to DM 3.02 (DM 3.028), FFr 9.21 (FFr 9.2425), SwFr 2.529 (SwFr 2.5385) and Y247.45 (Y247.5). On Bank of England figures the dollar's exchange rate index fell to 143.6 from 144.2. Page 39

STERLING closed in New York at 1.2943. It was strong in London, gaining 0.75 cent against the dollar to $1.307. It also rose to DM 3.945 (DM 3.935), FFr 12.035 (FFr 12.025), SwFr 3.31 (SwFr 3.3) and Y323.0 (Y322.0). The pound's exchange rate index rose 0.5 to 81.0. Page 39

GOLD rose $0.50 on the London bullion market to $325.25. It was also higher in Zurich at $325.85. In New York the Comex August settlement was $324.80. Page 38

INDIA secured from its Western aid consortium new financial aid commitments totalling $4bn for the current fiscal year 1985-86.

MEXICO's long delayed $458m plate mill project is being postponed indefinitely. However, Sidermex, the Mexican state-owned steel company, has agreed to take delivery of and pay for the mill itself which is being built in the UK by a subsidiary of Davy International.

NEW YORK Stock Exchange is tightening its surveillance of merger and acquisition activity following increasing concern over the possibility of insider trading. Page 16

SWISS banks active in the country's securities market have agreed to a commission structure effectively cutting fees on large orders as part of an effort to remain internationally competitive. Page 19

AN OLIVETTI subsidiary has won a $2m order from the Chevrolet division of America's General Motors to supply factory automation products.

KARSTADT, the West German department store group, suffered a 73.5 per cent drop in group net profits last year from DM 90.4m ($29.9m) to DM 23.9m, while sales declined from DM 12.27bn to DM 12bn.

TURNER Broadcasting System, headed by Atlanta media magnate Mr Ted Turner, attempted to breathe new life into its bid for CBS by petitioning the Federal Communications System to reject a CBS request to block the offer.

RAUMA-REPOLA, Finnish forest products, metal and engineering group, was listed on London Stock Exchange as first step to a pending FM 100m ($16m) share issue. Page 17

EEC bid to settle row on car exhaust standards

BY PAUL CHEESERIGHT IN BRUSSELS

STRENUOUS EFFORTS are underway to dampen the potentially damaging dispute between West Germany and other EEC car-producing countries over new and stricter car exhaust standards.

Failure to settle the issue by the end of the month could result in the fragmentation of the EEC car market just at the time that the Ten are starting a new attempt to bring down internal barriers to trade.

Commission and national officials in Brussels and ministers at the Organisation for Economic Co-operation and Development environment conference in Paris have been meeting informally to come up with amended proposals.

These talks have the broad aim of changing European Commission proposals which should build on a political agreement in March to bring EEC standards for "clean" cars into line with those of the U.S.

These proposals have proved too lax for the Bonn Government, which is keen for steps to stop the destruction of forests, but too strict for Britain, especially, but also for France and Italy. The latter countries want standards that can be met not only by the use of three-way catalytic converters but also by the new and developing technology of the "lean-burn" engine.

The standard for medium-sized cars with engines between 1400cc and 2000cc is most hotly disputed. The Commission wants the exhausts to emit per test no more than 30 grammes of carbon monoxide, four grammes of the most damaging pollutant, nitrogen oxide, and eight grammes of nitrogen oxide and hydrocarbons combined.

Despite the protest, the commission is standing by its proposal for the meeting of environment ministers next week. This meeting may now be postponed from June 25 to June 28, the first day of the EEC summit and just three days before West Germany unilaterally brings new fiscal incentives into play to encourage the purchase of "clean" cars.

The ideas, some of uncertain origin, now being discussed to moderate the commission's proposals, include:

- Reducing the size of the contentious medium car category to 1400 cc-1700 cc and allowing a more lenient standard;
- Specifying different standards for cars using converters and cars powered by lean-burn engines but allowing free Community circulation for both;
- Introducing a more flexible approach to standards by eliminating that for nitrogen oxide alone, but keeping in place the combined hydrocarbons and nitrogen oxide standard:
- Reviewing the standards after two years and changing then if they appear then to be too tough.

So far no agreement has crystallised around any of these suggestions. West Germany remains adamant that the Commission's nitrogen oxide proposal should be tightened to 2.5 grammes per test and rejects the case for a different approach. The UK is unwilling to unravel the shape of the March agreement by changing engine categories and believes a review after two years would create even more uncertainty than exists at present.

Italy, now president of the council of ministers, acknowleges that some compromise will be necessary although its own national position is close to that of the UK, but diplomats said that no compromise could emerge until the last moment.

OECD environment goals, Page 3

Chrysler agrees to pay $637m for Gulfstream

BY TERRY DODSWORTH IN NEW YORK

CHRYSLER, the third largest U.S. car company, finalised terms yesterday for a $637m takeover of Gulfstream Aerospace in the second major diversification into the aerospace sector by one of the leading U.S. motor manufacturers.

The deal follows hard on the heels of General Motors' acquisition of Hughes Aircraft earlier this month, and will fuel speculation about a similar diversification for Ford, the third member of the trio of large U.S. vehicle manufacturers. Ford has already signalled its interest in the aerospace business by counter-bidding for Hughes against General Motors.

Mr Lee Iacocca, Chrysler chairman, said the Gulfstream acquisition was an important step in the company's long range plan to diversify into high technology industries such as aerospace and electronics.

Chrysler said the acquisition would be financed by $310m in cash and $327m of notes. All public shareholders would receive cash, but Mr Allen Paulson, Gulfstream Chairman, who owns 71 per cent of the company, would receive a combination of cash and notes valued at $19 a share.

Last year, Gulfstream had sales of $602m, and net earnings of $27m or 80 cents a share, down from $53m, or $1.62 a share, in the previous year. It is currently regarded as one of the most successful companies in the competitive executive aircraft market, mainly because of the success of its corporate jet.

Britain plans new legislation on unions

By Philip Bassett and Ivor Owen in London

BRITAIN'S Conservative Government is to introduce further trade union legislation – its fourth industrial relations Bill since coming to power – to concentrate on union members' individual freedoms, Mr Tom King, Employment Secretary, disclosed yesterday.

Although Mr King did not specify the timing of the new measures, a consultative document could be issued before the end of the year, with the intention of moving towards legislation in the 1986-87 parliamentary session.

Mr King said the main areas under consideration for the new Bill are:

- The right to work despite a call to strike. The Government would like to enable union members to protect themselves against what they saw as unfair action against them by their unions if they chose not to obey a strike call – even one sanctioned by a membership ballot under the 1984 Trade Union Act. Unions might be prevented from taking disciplinary action against members, including the imposition of fines.
- Protection against abuse of the closed shop. Under consideration is further protection for union members against possibly losing their job for refusing to belong to a union where there is a closed shop – even if it has been approved by a membership ballot under the 1982 Employment Act. Another idea is to take the first legislative steps against the pre-entry closed shop, where union membership is compulsory before someone can even be considered for employment.
- Management of union funds. The possibility of members being able to take action against their unions to prevent them from spending money on activities to which a member might object is being considered.
- Standards of union democracy. Under consideration are a widening of the 1984 Act's requirement for the election of executive members to cover such officials as general secretaries, and an extension of the requirement much further down union structures. Other proposals, stemming from a row over the election of the transport workers' general secretary, include the need to make elections more accountable, with the publication of full voting results and the appointment of independent scrutineers of union elections.
- Essential services. Some form of no-strike provision will be included for consultation in areas of the state sector which have a great impact on the public.

Mr King has not yet presented any proposals to his Cabinet colleagues, so none of these areas is set rigidly for inclusion or exclusion in the new legislation.

Mr King catalogued and praised the achievements of the Government's step-by-step approach to labour law in dealing with the "unacceptable face of trade unionism" – closed shops, unrepresentative union leaderships, failure to consult members, rigged votes and car park meetings taking decisions on a show of hands.

Ten warn U.S. and Japan on trade curbs

BY QUENTIN PEEL IN LUXEMBOURG

EEC FOREIGN ministers yesterday called on Japan to provide "a clearly verifiable commitment" to a sustained increase in imports of manufactured goods and processed agricultural products.

They also warned President Ronald Reagan that the EEC would retaliate if the U.S. imposed unilateral restrictions on Community exports, particularly Italian pasta.

The ministers formally called on the U.S. Administration to reconsider any unilateral measures it may contemplate in the current dispute over EEC imports of cheap citrus fruit from Mediterranean countries.

With President Reagan due to decide today on possible counter-measures such as a rumoured 20 per cent tariff on pasta imports, the foreign ministers insisted that any action would leave them "obliged to take counter-action."

On Japan the ministers expressed their concern at the "very limited progress" made in talks this month by the EEC-Japan trade expansion committee, and group of high level officials seeking ways of opening up the Japanese market to European exports.

Their statement issued at their monthly council meeting in Luxembourg was clearly designed to persuade the Japanese Government to spell out specific targets for stepping up imports, and a specific timetable in the three-year action programme currently being drawn up in Tokyo.

The ministers stopped short of any threat to reopen the EEC's article 23 proceedings against Tokyo under the General Agreement on Tariffs and Trade (Gatt) – although they stressed that the action was simply suspended "while bilateral discussions continued and the Japanese authorities proceeded with their intended market-opening measures."

Japan's semiconductor industry rejected U.S. claims that it has conspired to keep American companies out of the Japanese market. Page 16

The tough tone of the latest communique reflects growing frustration on behalf of both the European Commission and EEC member states at the lack of visible progress in boosting Japanese imports.

It is intended to provide a firm base for the discussions with Mr Yasuhiro Nakasone, the Japanese Prime Minister, when he visits the Commission on July 19.

The ministers stressed not only the importance of an increase in physical imports, but also of the proposed liberalisation of Japanese financial markets and the internationalisation of the yen.

They instructed the Commission to prepare a comprehensive review of the whole range of EEC-Japanese relations, including investment as well as trade flows, to decide on appropriate action in the autumn.

Meanwhile, the dispute over the special deal given by the Community to Mediterranean citrus exports, from countries such as Morocco and Israel, threatens to spark the looming EEC-U.S. agricultural trade war, unless it can be defused by further talks.

The U.S. Government, under pressure from the powerful lobby of

Continued on Page 16

Citroën plans 1,300 job cuts

By Paul Betts in Paris

CITROËN, the French car concern owned by the private Peugeot group, is planning a further major round of job cuts involving 1,300 workers, mainly from the company's plants in the Paris area.

The latest job cuts at Citroën follow an announcement by Renault, the troubled state-owned group, of plans to cut 21,000 jobs between now and the end of next year and to reduce its car production capacity from 2.2m cars a year to 1.6m cars a year.

Citroën itself had already instituted large-scale job cuts last year which involved 6,000 workers.

The new round of restructuring at Citroën is consistent with Peugeot's strategy of seeking to make annual productivity gains of around 7 per cent to remain competitive in a difficult European market. M Jacques Calvet, the chairman of the Peugeot group which embraces the Peugeot, Talbot and Citroën car marques, had warned earlier that the group would have to continue to cut its workforce by an average of about 3 per cent a year for the next three to four years.

Citroën is hoping to resolve its latest job restructuring programme through voluntary incentives, especially by encouraging immigrant workers to return to their homelands. The Peugeot-Citroën group's repatriation incentive programme for immigrants has proved very successful so far although not sufficient to avoid the group making a large number of compulsory redundancies. Citroën says there is a total of between 7,000 and 7,500 immigrants in the company who could take advantage of the repatriation incentives.

Continued on Page 16

CONTENTS

EUROPEAN NEWS

Brussels to defy Bonn over cereals

BY IVO DAWNAY IN BRUSSELS

THE EUROPEAN Commission yesterday agreed to press ahead with cereals price cuts of 1.8 per cent in the face of mounting fury from West Germany, which last week vetoed the reduction in the Council of Farm Ministers.

While the Commission was at pains to emphasise that the move was merely a temporary market management measure, aimed at averting speculation by farmers, it was greeted with anger by Herr Ignaz Kiechle, the West German minister. He was reported as telling one West German newspaper that the Commission's action may force Bonn to defy the price cut order openly or to challenge the decision in the European Court.

However, there appears little confidence in West Germany that it could win such a court case. Under the Treaty of Rome, the Commission is obliged to manage the market in farm produce efficiently. It can threfore argue that budgetary constraints insist that a price cut goes ahead to prevent a flood of grains into Community stores from farmers attempting to avoid any price reduction that could be agreed in the future.

Officials in Brussels were insistent yesterday, that if a smaller cut were finally accepted by ministers, farmers would receive rebates. It was also pointed out that, as payments for grains are only made 120 days after cereals are actually received by Community stores, the issue should be resolved before any cheques are issued.

"The Commission does not fix prices, that is for the Council," a senior official said yesterday. "This is only a technical measure, and we are simly acting as a good father of the family world."

Despite the Commission's protestations, however, the move is unprecedented—particularly in the light of the West German veto. Legal advisers, both at the Council and at the Commission, have supported the market managers' move, as it is widely believed the European Court would do the same.

In these circumstances, West Germany's room for manouvre appears limited. If Herr Kichle wins agreement from his cabinet colleagues to ignore the price cut, the 1.8 per cent margin woul dhave to be paid by the Bonn Treasury and not from Community funds. This would certainly be illegal without the unanimous approval of the Farm Council, something it would fail to get. The Commission, for its part, would then be obliged to take its own legal action at the European Court.

Quentin Peel on plans to make EEC more relevant to its citizens

In search of a real community

A PLETHORA of proposals to make the European Community more relevant to its own citizens was yesterday presented to a sceptical public, and promised a blessing next week by the EEC heads of government when they meet in Milan.

They set out a vision of Europe with multilingual schoolchildren, a profusion of television programmes, linked university courses, European work camps and cheap museums. They also include practical benefits like a common driving licence, a universally recognised emergency health card, and no variations in postage rates between one member state and the next.

At the other end of the scale are the altogether more exotic schemes— a European Academy of Science, Technology and the Arts, a European television channel, Europe Day on May 9, a European emblem and a European anthem. There is even a plan for a European centre to comemorate great achievements.

Only the idea of a Euro-lottery gets a dusty response, predictably from the UK representative, in almost 50 different plans and projects put up by the so-called Ad Hoc Committee for a People's Europe, headed by Sig Pietro Adonnino of Italy.

The proposals make up the second half of the committee's work, commissioned last year by the 10 heads of government after a fireside chat at their summit at Fontainebleau. They already approved plans for easier border controls, rights of residence and rights of establishment, back in March.

> **On the very day that Sig Pietro Adonino published his final report to the EEC leaders on how to make the Community more relevant to its citizens, one of his original recommendations was becoming bogged down in the Council of Ministers. The plan, welcomed by the heads of government when they accepted the first report last March, included a streamlined process to adjust frontier formalities for inflation — such as the level of travellers' allowances. Hitherto, any increase in the value of goods which can be bought tax paid in one Community country and exported to another, has had to be unanimously approved. The European Commission rashly suggested that such a technicality to allow for inflation might require no more than a simple majority vote. The proposal was rejected last week by finance ministers, and again yesterday by the foreign ministers. Both Denmark and Ireland are worried by cross-border shopping, and do not want to do anything to encourage it. The present system therefore remains: inflation must be gareed unanimously. Sig Giulio Andreotti, the Italian Foreign Minister, was furious. "We all need to put in some courses in Europeanism," he complained.**

The Adonnino report is the product of 10 personal representatives, of the EEC leaders, charged with suggesting the ways in which the Community could be both more relevant, and more effective, for the average citizen.

They have opted for a range of political proposals, like a uniform electoral procedure for members of the European Parliament (Britain is out of line without proportional representation); and a dual entitlement for EEC citizens to vote either in their home country, or at their place of residence if they work abroad.

There is backing for the European Parliament in its efforts to set up a European ombudsman, and to strengthen the citizen's right of petition against EEC inequities. And the committee proposes a big effort to simplify and consolidate the bulging files of Community law.

An EEC model driving licence—same pattern, but differing national content—should be introduced by next January 1, with a common licence being the common aim, the report said. EEC citizens should not have to exchange their licences when they move to a different member state.

On the cultural front, they propose EEC finance for cross-border television co-operation, a Euro-TV channel, but also a commitment by each state to give its citizens access to the maximum number of national channels. (Belgium has 17 available on cable television).

The Euro-lottery put up by M Max Gallo of France, gets a thumbs down from Mr David Williamson, chief EEC adviser to Mrs Margaret Thatcher and her man on the committee. "This proposal would not be in line with the UK practice of not operating state lotteries," he says in a footnote—even if the prizes were in Ecus.

Education plans would include an investigation of establishing the U.S. system of awarding university credits for different courses interchangeable between different institutions, so that students may switch college, and country, in mid-course. There should be EEC work camps, a formal programme of European exchange schemes, and better language-teacher training facilities.

As for the trappings of Europe, the committee plays quite safe. Beethoven's "Ode to Joy" the fourth movement of the Ninth Symphony, should be formally confirmed as the European anthem. And the emblem should be 12 gold stars (to include Spain and Portugal) in a circle around the letter "E" on a blue background.

As for postage stamps, they have stopped short of the idea of a Euro-stamp, after it was savaged by Mrs Thatcher when it was suggested it might lack the head of the Queen Elizabeth. Instead, they simply call for more common designs for European events, and the extension of internal postage tariffs for the whole community.

Albania may send ore to Kosovo for smelting

By Aleksandar Lebl in Prestina

ALBANIA has raised the possibility of sending some of its large ferro-nickel ore reserve deposits to the predominantly ethnic Albanian province of Kosovo in Yugoslavia for smelting there.

Such a deal would mark a further economic opening-up for isolated Albania and would partially restore bilateral relations between the two regions, severed since the 1981 Albanian nationalist riots in Kosovo.

Albanian diplomats and trade officials said this week in Pristina, the capital of Kosovo, that they envisaged Albania sending an initial quantity of 100,000 tonnes of ore a year to Kosovo's recently-opened nickel refinery at Glogovac, which can handle up to 1m tonnes of ore a year.

However, Albanian shipments would depend on Yugoslavia first completing its part of the new rail link from Shkodra to Titograd.

The Albanian portion of this railway, which will give Albania its first rail link to the outside world, was finished earlier this year.

Before 1981, Albania had quite extensive direct cultural and economic ties with Kosovo. However, since the nationalist demonstrations of that year, the Yugoslav authorities have insisted that Tirana deal with the federal government in Belgrade rather than individual regions.

Dr Kurtesh Salihu, a member of the ruling Kosovo communist party presidency, said this week that Albania had not yet moderated its hostile propaganda towards Yugoslavia or its support for Kosovar "irredentism," though Mr Ramiz Alija, the new Albanian leader, and Mr Adnan Carcani, his prime minister, had hinted at conciliation in recent speeches.

Since 1981, 668 people in Kosovo had been arrested and sentenced for political crimes, and 422 were still in jail.

Reuter adds: European Community foreign ministers yesterday agreed proposals under which the EEC would offer Ecu 380m (£225m) in aid to Yugoslavia in five-year loans from its European Investment Bank, diplomats said.

But ministers dismissed calls from the Community's executive commission for Ecu 80m in interest-free budget aid and Ecu 400m in EIB loans.

Walesa is ordered to stop making public statements

BY CHRISTOPHER BOBINSKI IN WARSAW

POLISH OFFICIALS have told Mr Lech Walesa, the Solidarity leader, to stop making public statements. Summoned to the Gdansk prosecutor's office, he was told his "status could change" if he continued to speak out.

The warning follows the trial last week of three prominent Solidarity leaders who were jailed for up to three and a half years. Througouh Mr Walesa kept up a barrage of criticism about the way the case was conducted.

He did not reply to the prosecutor yesterday but handed in a statement. This explained that last week's trial had taught him that "refusal to testify is the only form of dignified behaviour in front of the courts, prosecutors and the police."

During the trial the prosecution produced a recording of a conversation between one of the accused and senior police officers which the defence claimed had been edited.

Meanwhile, the democratically elected workers' council at the giant FSO car works in Warsaw has protested against government plans to cut its power by a change in the law.

The councils came in as a part of the decentralising economic reforms in 1981 and have widespread powers on paper to co-manage enterprises and control welfare spending. They exist in more than 6,000 companies employing 5.5m people. A recent government survey shows that a fair number of them exert a real influence on management decisions.

The banned Solidarity movement has also recently taken an active interest in the councils, which are elected by workers every two years by secret ballot, and the underground press has started publishing interviews with council members.

Apart from planning to change the law, the authorities have identified around 30 factories where Communist party cells are under pressure from council members. The list includes the FSO works where elections last April saw a 73 per cent turnout by the workforce and the emergence of a markedly more radical council than before.

In a move which could heighten tension between the councils and Communist party organisations in these plants, local party officials have been told by the politburo to take steps to counter "infiltration" of the councils by Solidarity supporters.

Emminger sees continued fall in U.S. interest rates

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

U.S. INTEREST rates are likely to continue to fall this year, Dr Ottmar Emminger, former president of the West German Bundesbank, says in a paper published today.

Dr Emminger says U.S. interest rates would not be likely to rise unless against all the odds, the U.S. economy were to bounce back strongly this year.

It was more likely that slower growth would be accompanied by only a moderate rise in U.S. costs and prices. Inflation he believes, will be far less than expected, partly because of the psychological effect of the budget-cutting measures in 1986 and beyond.

Dr Emminger's paper on the effects of the dollar's strength published by the Group of Thirty, a private group of senior former monetary officials and other experts.

Dr Emminger says that unlike many officials on both sides of the Atlantic, he believes the impact of the high dollar has been on the whole beneficial to Europe.

The main adverse effects bore on the U.S. These were:

- The distortion of the U.S.'s competitive position in the world, with effects on the whole of its economic structure;
- The accumulation of foreign debt which will make the U.S. a net debtor and will weigh on their current account for a long time ahead;
- The drag on economic activity through depressed profits, the deflection of much demand abroad, and the lowered investment which will compromise future growth.

Although there have been advantages as well, Dr Emminger says the balance has shifted to the disadvantage of the Americans.

The Dollar's Borrowed Strength, by Dr Otmar Emminger, Group of Thirty, 725; Park Avenue, New York.

UK upset at Soviet snub to ambassador

By Robert Mauthner, Diplomatic Correspondent

BRITAIN YESTERDAY hinted that Mr Victor Popov, the Soviet ambassador in London, would find it more difficult in future to see Sir Geoffrey Howe, the Foreign Secretary, following the diplomatic snub delivered by Moscow earlier this week to Sir Iain Sutherland, the outgoing British ambassador to the Soviet Union.

The Foreign Office yesterday said that "we naturally regret that it was not possible for Sir Iain Sutherland to se Mr Andrei Gromyko, the Soviet Foreign Minister, before he left Moscow on Tuesday."

It is normal practice for an ambassador leaving his post to be received by the foreign minister of the country to which he is accredited. The previous British envoy, Sir Curtis Keeble, was received by Mr Gromyko just before he left for home.

However, Sir Ian, who is being replaced by Sir Bryan Cartledge, was received only by Mr Ryzhov, a Deputy Foreign Minister responsible for the UK.

"We shall be considering any reasons the Soviet side give us and whether this lack of courtesy should have any implication for the level of access which the Soviet ambassador is accorded in London," the Foreign Office said.

It is understood, however, that the invitation to Mr Gromyko to visit London is not affected. Though the invitation has been accepted in principle, no date has yet been fixed for the visit.

Agca tells of third man

By James Buxton in Rome

MEHMET ALI AGCA, the would-be assassin of Pope John-Paul II, yesterday introduced an important new fact into the murder conspiracy trial now going on in Rome, when he named a third Turkish terrorist who, he said, was in St Peter's Square on May 13, 1981.

Until now, the Italian judicial authorities have suggested that only one other terrorist was definitely present with Agca at the time—Oral Celik, who is being tried in absentia for conspiracy to kill the Pope.

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OECD singles out its goals in environment

BY ANDREW GOWERS IN PARIS

THE SWEET sound of consensus reigned among the industrialised world's environment ministers meeting at the Organisation for Economic Co-operation and Development yesterday—at least in the conference room itself.

Ministers from the 24 member states agreed with ease on a set of grand sounding generalities: the need to integrate environmental strategies more closely with economic policies; the importance of prevention rather than cure; and the fact that much had been achieved in the environmental field in the six years since they last met, but much remained to be done.

They also jointly identified the main issues which will probably be preoccupying them for five or so years until they next come together: air pollution, for example, better management of water resources, improved handling of toxic chemicals and hazardous wastes, what to do about the environmental problems of developing countries, and so forth.

The OECD reckons that a consignment of hazardous waste crosses an international frontier every five minutes of every day.

As Mr Lee Thomas, Administrator of the U.S. Environmental Protection Agency, put it yesterday: "We now face a new generation of environmental concerns . . . these are complex to identify, analyse and act upon. They frequently bring economic burdens, either in solving them or in leaving them unsolved. They differ from pollution we suffered in the past . . . to meet this generation of environmental concerns, we must move to the next plauteau of environmental controls."

On at least one of these points—the question of hazardous waste—some concrete progress is expected out of the three-day meeting, which ends today. Ministers are expected to call formally for an international agreement to tighten controls on the movement of such waste across national frontiers, possibly to be finalised as soon as 1987.

The Organisation itself reckons that a consignment of hazardous waste crosses an international border every five minutes of every day. The need for tighter controls on such movements was highlighted two years ago when a potentially lethal consignment of dioxin, produced by the 1976 chemical plant disaster at Seveso, temporarily disappeared after being transferred out of Italy.

As regards toxic chemicals, ministers congratulated themselves on having tightened controls over new products coming on to the market in recent years, but they expressed concern that little was being done to identify or control risks associated with the 80,000-odd odd chemicals already on sale.

And on the critical question of the Third World, threatened by drought, diversification and huge industrial accidents, they would call for more research to be done on the possible environmental effects on projects in developing countries.

The disaster at Union Carbide's pesticide plant at Bhopal in India, in which more than 2,500 people died, found an echo in talk of establishing a coluntary code of conduct for multinational companies operating in the developing world

As might be expected, not all has been sweetness and light this week. Wide differences were evident, for example, on the type of controls or incentives that should be imposed on or offered to industry to clean up its operations.

This gave rise to a sharp exchange between Mr Stanley Clinton Davis, the EEC's environment Commissioner, who said that "industry must be told clearly what it has to achieve, and when," and Mr Patrick Jenkin, the British Environment Secretary, who took issue with what he described as the Commissioner's authoritarian approach.

Above all, behind the generally harmonious rhetoric, there was a realisation that the so-called new generation of environmental problems has brought with it a greater need for international co-operation and a greater degree of international acrimony than before. Pollution—and particularly pollution of sea and air—is no respecter of national boundaries.

Once again, the vexed debate of "acid rain" rammed the point home. And with Canada and the U.S. appearing to have gone some way towards patching up their differences on the subject, the spotlight in the corridors of the meeting was decidedly on the bickering over vehicle emission standards in the European Community.

The topic took up much of ministers' time yesterday, with West Germany and Britain firmly restating their diametrically opposed views on the exhaust emission standards proposed earlier this month by the European Commission.

Sweden, which was the first European country to make political cause about acid rain, put in its usual complaint about foreign polluters

All sides also rehearsed their differences over sulphur dioxide pollution from large industrial plants and power stations—the next controversial topic on the EEC's environmental agenda.

Despite the disputes, however, there was at least a recognition this week that sound environmental management cannot be divorced from policy in other sectors—such as subsidies which encourage intensive and allegedly polluting agriculture. Translating that awareness from pious statements by environment ministers to concrete actions by their colleagues in other departments is another matter.

Soviet ministries come under increasing attack

BY PATRICK COCKBURN IN MOSCOW

SOVIET central planners are making increasing attacks on the government ministries, which control most of economic life in the Soviet Union, in the wake of Mr Mikhail Gorbachev's announcement of his economic reform package.

A central aim of the new leader's reform is to increase the financial and strategic control of Gosplan (the state planning organisation) at the centre, and at the same time strengthen the day-to-day control of enterprises over their operations. In both cases, the reforms will limit the power of the ministries.

These are now being blamed for much of what has gone wrong with the economy since the early 1970s. A member of Gosplan in the Urals, writing in the daily Sovietskaya Rossiya, blames the Energy Ministry for poor organisation which led to a shortage of electricity in this large industrial centre last winter.

He says that in the machine building and metal processing factories, which are concentrated in the cities of the Urals area, equipment has often "been out of date for a long time, but new machines are not being installed anywhere. Buildings are decrepit and neglected." He accuses the local Ministry of Machine Building for not organising its capital investment budget. It ignores all suggestions or plans made by Gosplan or scientific institutes, he says.

Similar charges against the Ministries are made by members of the Politburo close to Mr Gorbachev and senior Communist party first secretaries in charge of different regions.

For instance, Mr A. G. Melnikov, first secretary from the Tomsk region in Western Siberia, said last week that billions of cubic metres of associated gas were being flared in the Siberian oil fields. This is because "new economical oil and gas processing technologies are being developed by the Ministries of the Chemical Industry and Chemical Engineering too slowly and with a conspicuous lack of interest.

Mr Gorbachev criticised four ministers by name in an important speech last week and it is unlifiely that they will be able to continue long in their jobs.

Spanish strike over pension plan

BY DAVID WHITE IN MADRID

THE COMMUNIST - LED Workers' Commissions trade union in Spain is staging a general strike, billed as the biggest demonstration of its kind in 50 years, throughout the country today in protest at the Socialist Government's plans to overhaul the state pension system.

The first general strike in Spain since 1976, it is being backed by other unions except the rival Socialist-led UGT, although some local UGT branches are taking part. The UGT, which also resists planned cuts in the income of future pensioners, staged a separate series of demonstrations two weeks ago.

Regarded among the Government as a "political" strike, it will provide a key test of the mobilising power of the Workers' Commissions, which aim to bring 2m workers out in 1,000 companies. The CEOE employers' federation has warned that the strike could cost companies Pta 100bn (£450m).

The strike organisers are challenging the authorities' plans to enforce minimum service provisions in public transport, arguing that in some cases the right to strike is being effectively overruled. The movement is expected to be particularly strong in the industrial Basque region.

Steven B. Butler in Seoul assesses the prospects for co-operation between North and South Korea

Two old enemies edge towards an understanding

NORTH AND SOUTH Korean representatives are meeting again today in the truce village of Panmunjom on the border to continue what has become a serious flirtation between two old enemies. The two countries are talking across the tense border that divides them about a range of touchy issues from how to reunite families separated during the Korean war to how to co-operate economically.

North Korean Red Cross delegates recently visited Seoul for a meeting characterised by private frankness and a public display of warmth and goodwill. Both sides have shown they can compromise and that they want to continue talking.

Many Koreans would like to see the flirtation blossom into a full-blown romance that would reduce the ever-present danger of war in Korea, where some 40,000 U.S. troops are stationed.

Most observers advise caution, however. Nothing of substance has been achieved yet. Both sides have good motivations for putting on a show of flexibility and continuing to talk, and that alone could keep the show going for years without any substantive results.

The talks, however, have given a more hopeful hue to the outlook for peace in Korea and, as the two sides continue to negotiate, there is always a chance they might reach agreement in substance in spite of themselves.

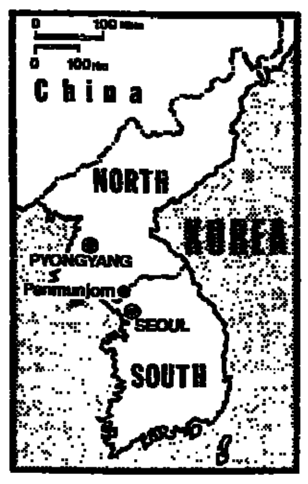
The two meetings in May — on economic co-operation and family reunions — broke a chill that had been cast over the talks in January, when North Korea postponed them to protest large-scale joint military manoeuvres involving South Korean and U.S. troops.

Most observers believe the annual military games could have been only part of the reason. The North also wanted to embarrass, or at least deny a political achievement to the South Korean President, Mr Chun Doo-Hwan as he prepared for February's national elections.

The South's self-confidence in dealing with the North has gone from about zero to something like robust self-confidence, according to one diplomat. This feeling that the North cannot manipulate and harm the South, helps to make the South more flexible and is driving the talks forward.

At the May 17 economic negotiations, the South proposed concrete steps to follow up the discussions held six months earlier: among them were proposals for immediate purchase of 300,000 tonnes of coal briquettes from North Korea, opening a port on each side, and a "working level" meeting to discuss technical problems of reconnecting a severed rail link that both sides had agreed to in principle.

The North was not interested in details, however. It wanted to set up an elaborate committee structure headed at



the vice-premier level to discuss all issues, including its own first priority of joint-venture resource exploration. The two sides merely agreed to meet again today for another round of counter proposals.

North Korea's unwillingness to begin with easy tasks, such as simple trade, has raised questions about its intent.

The Red Cross talks produced a bit more in the way of agreement: the North accepted the South's proposals for an exchange of "home visits," while the South agreed in principle to the North's proposals for free travel across the border to find relatives. However, it is not clear what either side has committed itself to, with details to be worked out in July.

A proposal for an orderly process by which separated family members will submit forms to their own Red Cross for finding lost family members, has come from South Korea. The Red Cross on the other side of the border will in turn conduct a search for the relatives.

On the other hand, the North wants to open the border and allow family members to search for relatives with travel, food and loging provided free. Given the tensions and suspicions that continue to exist on both sides, the North's proposal is not very practical.

Both sides have strong incentives to go on talking, even if they find little ground for agreement. North Korea is stil trying to rehabilitate its international image, which was badly damaged following the bombing in Rangoon, Burma, in October 1983 that killed 16 South Koreans, including some Cabinet officials.

Some nations have lifted sanctions against North Korea that were imposed after the incident, but it still suffers diplomatically.

Pyongyang also wants to enhance its credibility in an effort to attract Western capita lthat might breath life into an economy that has been stagnatin gfor many years. North Korea has seen nothing of the drastic reforms that China is experimenting with, but there has been greater attention to consumer goods. A French company is building a 46-storey hotel in Pyongyang

South Korea also stands to gain: talking with North Korea helps smooth the international atmosphere for the 1986 Asian Games and the 1988 Seoul Olympics, and makes it more difficult for North Korea to object to other countries attending the games.

Seoul wants badly to improve relations with China and the Soviet Union. The negotiations also enhance the international credibility of President Chun. "He would love to go down in history as the man who met Kim Il-Sung (the North Korean President) and negotiated a 'two Germanies' solution for Korea," says one observer.

The trouble is that the two sides are working at cross purposes and would prefer to prevent the other from achieving its goals. But, as one diplomat says: "Willy-nilly, without really intending to, they might just fall into agreement."

Peking and Seoul improve their silent partnership

BY ROBERT THOMSON IN PEKING

WHILE A fruitful dialogue between the two Koreas remains muted by an array of problems, China and South Korea, who have no diplomatic ties, have been chatting on the side.

The two have become trading partners, although neither has officially admitted that South Korea has been buying Chinese grain, cotton and vegetables through Hong Kong.

Seoul was presented with the opportunity to improve relations with China earlier this year when the crew of a Chinese gunboat mutinied and the disabled craft drifted into South Korean waters.

Contact between South Korean and Chinese officials was made in Hong Kong: the Chinese apologised for the intrusion of four of their warships into South Korean waters, and the Koreans agreed to return the vessel and its remaining crew.

When the matter was settled, China issued a statement through the Foreign Ministry in Peking acknowledging this co-operation: "The Chinese departments concerned expressed their thanks to the South Korean side for its assistance."

The improvement in relations has not gone unnoticed by North Korea;so, the Northerners warmly embraced the Chinese Communist Party General-Secretary, Hu Yaobang, recently when he arrived for talks with the Korean leader, President Kim Il Sung.

"I spoke and agreed with President Kim Il Sung on a wide range of issues. The President repeatedly expounded his country's sincere desire to ease the Korean peninsula situation and proceed to achieve an independent and peaceful unification of his country," Hu said.

China, which sent troops to aid the North during the 1950-1953 Korea war, has been actively encouraging the Northerners to work towards a rapprochement with the South.

Three years ago, when President Kim visited Peking, relations between China and North Korea were at a peak: at about the same time, Peking curtailed its indirect trade with the South and stepped up criticism of the U.S. military presence there. While Sino-North Korean relations have not necessarily deteriorated since then, contacts with the South have improved.

Diplomatic points were scored during a Davis Cup tie in March last year between South Korea and China. Although China refused to recognise South Korea, players from each country were standing at the opposite ends of a tennis court hitting balls to each other.

Sport could play an increasingly important role in defusing tension between Peking and Seoul: the South Korean capital will be the site of the 1986 Asian Games and the 1988 Olympics.

Chinese leaders, bearing in mind the euphoria here after their country's reasonable showing in the Los Angeles games, would be keen to participate at both events.

South Korean academic who was shown farms and factories, and taken to settlements run by members of the Korean minority group in China.

A grain surplus last year here has provided the impetus for the renewal of the indirect trading links between the two countries. Orders for shipments are apparently placed through Hong Kong traders who act as middle men for the deals.

China and South Korea are not yet great pals and are not likely to be, but they have proved they can get on with each other when they have to.

Drink curb dries up custom

By Our Moscow Correspondent

THE DAY after the normally packed Restaurant Turist in the City of Rostov-on-Don hung up a notice saying it no longer served alcohol the waiters catered for only five customers.

"Have you come for a cup of tea?" asked a waiter sarcastically, as he leaned against the doorway smoking a cigarette. "Come right on in—there is plenty of room." Inside the restaurant, the band, demoralised by playing for a single middle-aged couple, were packing up their instruments to go home.

The waiter said that his takings for the day were 23 roubles and 70 kopecks (about £22) compared to 300 roubles (£274) the day before. With only tomato juice available this is not surprising.

In the campaign against the Soviet Union's growing alcohol problem most restaurants are not going totally dry, but drink is not available until after two in the afternoon.

The consequent drop in the number of customers is not surprising since Soviet citizens go to restaurants to celebrate rather than to eat or talk. In the evening, the latter option is in any case ruled out by the very loud bands which are obligatory throughout the country.

A month after the alcohol laws were promulgated they are still being applied with all their initial vigour.

Foreign embassies in Moscow were circulated with a warning about drinking and driving earlier this week. Soviet embassies abroad have cut out vodka for guests and will serve wine and beer instead.

The authorities are unlikely to relent. The laws against drunkenness are the most significant measures actually carried out by Mr Mikhail Gorbachev since he became Soviet leader some hundred days ago.

They have been heavily publicised and are a symbol of the serious intent of the new leadership to change the Soviet Union. If the anti-drunkenness rules were relaxed then many Soviet citizens would conclude that Mr Gorbachev's rhetoric on economic reform is equally insubstantial.

OVERSEAS NEWS

Tighter ground control to prevent terror in the sky

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE INEVITABLE result of the spectacular hijacking of the TWA Boeing jet, and the continuing ordeal for the hostages now in Beirut, will be an intensification of security measures at airports worldwide and especially on those airlines serving the Middle East.

Hijacking has been called "aviation's disease." Although the number has declined since the spate of seizures (and threats of seizures) in the late 1960s and early 1970s, there has been a tendency for individual hijackings to become more vicious in their nature, as the latest incident amply demonstrates.

Figures released this week by the International Air Transport Association (Iata) show that where in 1969 there were 91 seizures (*the polite term for* hijacking) worldwide, progressively, as a result of tougher security measures at airports and by individual airlines, the figure had been brought down to 17 in 1984.

Similarly, threats of seizures—that is, hijacking attempts which failed for various reasons—which reached a peak of 373 in 1973, tailed off also to 17 in 1984.

This downward trend does not mask the fact that hijackings can, and still do, occur. It is accepted in the air transport industry that, even as security *measures on the ground and in* the air get tougher, so will the cunning and resourcefulness of determined hijackers in turn increase, to thwart those measures.

The downward trend has been due to three broad developments in order of success: tighter security at airports; better security in the air; and the introduction and implementation of international conventions, supported by the introduction of tough criminal laws in many countries expressly designed to discourage hijacking and punish it severely when it occurs.

There are three conventions in force. *The first is the Tokyo* Convention of 1963, which requires the return to its country of origin of any hijacked aircraft and its passengers. This has been ratified by 121 countries. The second is the *Hague* Convention of 1970, on the "Suppression of Unlawful Seizure of Aircraft," which requires, among other things the extradition or prosecution of *hijackers. This has been* ratified by 129 states.

The third is the Montreal Convention of 1971, which widened the Hague Convention and provided for severe punishment for attacks against the lives of persons on board aircraft in flight, and for intentional attacks such as sabotage and bombings that seriously damaged aircraft or endangered safety. This has been ratified by 128 states.

Individual countries have also passed their own laws. In the UK, the Protection of Aircraft Act, which ratified the Montreal Convention, provides for the maximum of life imprisonment for the most serious of hijacking or other offences against aircraft, crew and passengers.

Similar sweeping powers in the U.S. have been substantially successful in cutting down the spate of hijackings that plagued U.S. civil aviation some years ago.

It is largely left to the physical preventative measures introduced by airlines and airports to plug the gaps that the Conventions and countries' own criminal laws cannot reach.

On the whole, Iata says that the physical body searches and electronic baggage searches that are now common at many airports have done much to deter and detect hijackings.

Iata also admits, however, that there are still some fearsome gaps; it has only this week made it publicly clear that security measures at Athens airport are the most lax in Western Europe, and among the worst in the world.

Since the early 1970s Iata has regularly conducted its own private security surveys on airports. So far, some 40 major airports have been screened in this way: of the total six, including Athens, were *identified as* falling short, the others being also in the Middle East or Far East.

At Athens, earlier attempts to improve the standards of security screening failed, leading to the 40 airlines using the airport to complain directly to the Greek Government—to no avail, as the world now knows only too well.

Iata intends to pursue its campaign, and is already contacting the Governments of the other airports that it believes are not *up to standard (it declines to* identify them, for obvious reasons).

Iata says it can only do so much: it can urge, complain and cajole, for it has no executive *power to do more. Even some* of its individual airline members perhaps do not do enough. The screening is often left by the airlines entirely to the airport authorities. Only one airline, El Al of Israel, conducts its own, very tough screening process, in addition to normal airport screening. It is significant that as a result, El Al is probably the safest airline in the world to fly.

The idea of airlines putting "sky-marshalls," or anti-terrorist squads, on al flights was once seriously mooted, especially in *the U.S., as another means of* defeating hijacking. It did not attract much support, for several reasons.

One was the real danger of gun battles erupting in the air, to the further detriment of passengers, crews and aircraft safety. Another was the cost, which it was felt would be astronomical. While no publicity is given to such operations, some airlines are believed to employ sky-marshalls or similar armed escorts.

Most air crews are obliged, therefore, to put their trust in the efficiency of the ground searches to prevent hijackers or other criminals getting on board. Some precautionary measures, such as locking flight deck doors and *arming* crews, have been, and still are, resorted to in some parts of the world.

The cost of security is clearly going to rise. No figure is available of the total cost to the air transport community of all the security measures taken at present, but worldwide, it runs into many hundred millions of dollars, variously borne either by governments, airport authorities, or individual airlines (who pass it on to the passengers in ticket prices). After the events of the past week, no passenger should complain about this element of his or her ticket cost.

Athens refutes criticism

BY ANDRIANA IERODIACONOU IN ATHENS

THE GREEK communications minister yesterday insisted that security standards at Athens airport are up to scratch and blamed foreign governments and private interest groups fon reports to the contrary in the international Press.

"Allegations of inadequate measures against terrorism at Athens airport are totally false. They have to do with the interests of other countries and groups of individuals, in tourism and other areas," Mr Evangelos Kouloumbis said in an official statement.

Mr Kouloumbis said that three hi-jackings had occurred in the past year at Frankfurt airport, without provoking the kind of criticism which Greece is experiencing. There have been three hi-jackings from Athens airport since 1976.

His assurances yesterday followed advice from the U.S. State Department to American travellers to avoid Athens airport because of the danger of hi-jacks and inadequate security arrangements there.

The communications minister defended the quality of security equipment at Athens airport, which he said mainly comes from West Germany

Advance into Iraq continues says Iran

Iran yesterday claimed to be continuing its advance into Iraq's southern marshes and to be forcing Iraqi troops to withdraw in places to west of the Tigris river, writes AP from Nicosia. According to official Iranian News Agency reports, Iranian forces were *said to be east of the river* and to "have mopped up all secondary waterways" in the area. Traffic along the strategic highway linking Basra, second largest city, with Baghdad had been "virtually blocked," the news agency said.

Thai budget up

The Thai Government yesterday submitted to Parliament a fiscal 1986 budget proposal that is 2.3 per cent larger than a year earlier, AP-DJ reports from Bangkok. The biggest item *in the budget* is for debt-servicing. The proposed Baht 218bn budget (about £367m) for the fiscal year beginning October 1 was approved by the Cabinet on Tuesday.

Taiwan arms move

Taiwan is encouraging private companies to develop and produce advanced weapons to lessen its dependence on the U.S., defence officials told Reuter in Taipei. They said the Government had given state and private companies more *defence contracts* recently.

Harare poll threat

The Zimbabwean Government has threatened to cancel polling during next month's general elections in any constituency where it believes there is intimidation or violence, writes Reuter from Harare. Regulations published in the official gazette empower the Government, acting on the advice of the Electoral Supervisory Commission to cancel polling wherever it *might not be free and fair.*

Assad in Moscow

Syrian President Hafez al-Assad flew into Moscow yesterday and was expected to hold talks with Mr Mikhail Gorbachev, the Soviet leader, on the situation in the Middle East and Beirut in particular, Reuter reports from Moscow.

Red Cross moves into Beirut refugee camp

RED CROSS ambulances entered a Palestinian refugee camp in Beirut yesterday to evacuate dozens of wounded trapped after a month-long siege by Shi'ite Moslem militiamen, eye-witnesses said Reuter reports from Beirut.

A security committee including a Shi'ite, a Palestinian and two Syrian intelligence officers toured Bourj al-Barajneh camp under a newly agreed ceasefire before allowing the six ambulances in.

One of the Syrians later accompanied the committee on a tour of Shatila camp, where Red Cross and militia officials said they hoped to evacuate wounded soon.

The Syrian-sponsored ceasefire was part of a peace accord signed in Damascus on Tuesday to try to end fighting for control of the camps which has killed at least 625 people and wounded 2,500.

The ceasefire is understood to have held satisfactorily apart from a two-hour breakdown yesterday, the source added.

The agreement calls for Shi-ite forces to withdraw from the camps and for Lebanese paramilitary police to take charge. Heavy weapons would be removed from the camps. Other terms include the release of prisoners and the return to the camps of Palestinians displaced by the fighting.

Double threat to Israeli Cabinet

BY DAVID LENNON IN TEL AVIV

THE ISRAELI Government is under attack on both economic and political fronts. A rash of strikes, suspension of services, and closure of food plants, is threatening to bring about the collapse of the national unity government's economic policy. At the same time its unity is being strained by a row between the Labour and Likud parties over negotiations with Egypt about the disputed Taba enclave in Sinai.

Israel's attempt to curb inflation through a voluntary agreement with the unions and employers to control prices and wages is under threat. There have been a series of strikes by workers demanding higher wages, retail sales of petrol and gas have been suspended, and 20 food processing factories have been closed for three days in protest against price controls.

The country's petrol stations closed yesterday for two days, just as taxi-drivers ended their two-week-old suspension of services aimed at securing higher fares.

Garbage is piling up in the city streets because of the strike by municipal workers, and Rabbis and other workers in religious councils are also on strike.

The row between the country's two big parties, Labour and Likud, over the position which Israel should adopt regarding Taba, is a simmering crisis which threatens the dissolution of the coalition.

Mr Shimon Peres, the Labour Party Prime Minister, and Mr Yitzak Shamir, the Likud leader, who is Vice-Premier and Foreign Minister, met twice yesterday to try to defuse the row. The Premier was defeated in the inner cabinet on Sunday when it refused to aprove his proposal to accept arbitration over the Taba dispute, as requested by Egypt.

The Likud bloc considers agreement to arbitration as an *unnecessary concession towards* Egypt.

Labour fears that Likud "obduracy" could block chances of an improvement in relations with Egypt

Malaysian banks to reduce lending rates

BY WONG SULONG IN KUALA LUMPUR

MALAYSIAN commercial banks are to lower their lending rates by one percentage point from Monday in response to the central bank's call to boost business confidence.

Tan Sri Basir Ismail, executive chairman of Bank Bumiputra and chairman of the association of banks, said the base lending rates of banks would be lowered from 11.25 per cent to 10.25 per cent. Interest rates on fixed deposits would fall by 1.5 per cent and saving deposits by 0.5 per cent.

Malaysian finance companies and merchant banks are expected to announce similar reductions in interest rates over the next few days.

Malaysian financial institutions were told by Datuk Jaffar Hussein, the new central bank governor, to lower their lending rates when he met their representatives earlier in the week.

He had expressed concern that high spreads of between 3 and 4 per cent between lending rates and cost of funds was deterring business expansion.

The central bank in an effort to improve the current tight liquidity, has reduced statutory reserves to commercial banks from 5 to 4 per cent since April 15.

AMERICAN NEWS

Brazilian central bank governor hopeful of IMF deal next month

BY ANDREW WHITLEY IN RIO DE JANERIO

BRAZIL hopes *to reach the* agreement with the International Monetary Fund by mid-July that will clear the way for the completion of a multi-year rescheduling agreement cover*ing $45.3bn (£35.6bn) in foreign* debt falling due up to 1991.

Sr Antonio Carlos Lemgruber, the central bank governor, said on Tuesday the main point separating the two sides was an additional £3bn *in public* expenditure cuts this year being demanded by the IMF.

This will be on top of the $5bn in cuts he said had already been agreed at the technical level in recent discussions with a visiting IMF team. President Jose Sarney is expected shortly to approve these cuts.

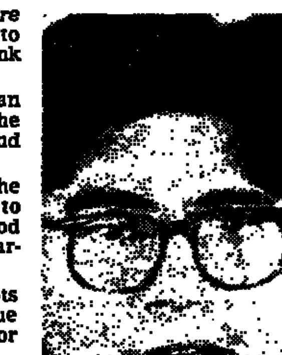
Another lesser contentious point is the fund's insistence on the "*recomposition*" of public-sector prices and tariffs, allowed to lag behind inflation as part of the Government's drive to break inflationary expectations.

In an interview Sr Lem*gruber*, a 37-year-old economist and former private bank director, said the "nconventional" agreement recently reached between Argentina and the IMF gave grounds for hope that the Fund would *prove* flexible with Brazil on this latter issue.

Brazil would like to resume renegotiations with its bank creditor advisory committee immediately after the planned submission to the IMF of its new letter of intent in mid-July. The central bank governor, who will head the Brazilian delegation, said he felt these could be concluded within 30 days.

Sr Lemgruber said there were four outstanding issues to be settled with the bank creditors:

- Monitoring of the Brazilian economy after the expiry of the *IMF* loan agreement, *at the end* of 1986.
- The "downpayments" the banks would like Brazil to make during the grace period provided on its 16-year-rescheduling agreement.
- The question of tax receipts earned by the lenders, an issue of particular importance for U.S. banks.
- Thes relending in Brazil to end-borrowers of the rolled-over funds provided by the banks. Here, Brazil would like to restrict the creditors' room to pick and choose.



Lemgruber: optimistic

Reagan holds firm on S. Africa

By Our U.S. Editor

PRESIDENT Ronald Reagan has made clear he will not change his controversial policy of "constructive engagement" with Pretoria, despite concern over last week's South African raid into Botswana in which at least 16 people were reported killed.

In a nationally televised news conference on Tuesday night, Mr Reagan said that while such South African conduct was "not something we heartily approve of," it was not enough to justify breaking off diplomatic relations.

Mr Herman Nickel, the U.S. ambassador to South Africa, who was recalled for consultations in protest at the Botswana raid, was still in Washington yesterday, and State Department officials said they did not know when he would retrn to his post.

Mr Reagan said that U.S. policy had been successful in getting some concessions from Pretoria, and some changes in apartheid.

He compared the South African decision to stage the Botswana raid to his own predicament in deciding whether to retaliate for the Beirut hostage-taking.

There was no question about the violence of the opposition African National Council (ANC), "and their attacks on people and their murdering and so forth," Mr Reagan said. "But again," he asked, "was the strike back at the people that were guilty, or was it just retaliation in a general direction? We don't know about that, but we are very concerned about it."

Jim Jones in Johannesburg adds: Mr P. W. Botha, the South African President, said *yesterday that* South Africa would not allow itself to be dictated to "nor will it experiment with inappropriate (constitutional) blueprints outsiders come with."

Accusing countries which "meddled" in South Africa's affairs of double standards, Mr Botha went on to say that the Government's duty was to maintain order and *stability* and that *it* would not shirk from its duty to maintain effective police and defence forces.

U.S. House votes to limit deployment of MX missiles to 40

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE Democrat-controlled House of Representatives has dealt another blow to President Ronald Reagan's MX intercontinental missile programme, voting to kill funds for any new missiles next year and cap deployment at 40 out of the 100 that Mr Reagan had sought.

The House move means that a compromise will now have to be negotiated with the Republican-led Senate, which last month approved funds for 12 new missiles and limited deployment in fixed silos to 50.

Mr Reagan reluctantly agreed to the Senate action, the biggest ever setback to a key component of his strategic build-up, rather than risk an even worse defeat.

House members said yesterday that Tuesday night's vote reflected a widespread feeling that "enough is enough" and *that it was time to end the* decade-long debate over the controversial missile's future.

Mr Reagan told his nationally televised news conference, shortly after the House vote, that the MX debate was "a lot of wasted rhetoric" and that "we ought to get on with it." The 10-warhead MX was vital to the modernisation of the U.S. land-based missile force and was "the missile that is on hand and available now," he said.

While the MX's critics have argued that it will be vulnerable in fixed silos, Mr Reagan said that "we can vastly harden a silo to the extent that we think it would take a very direct hit" to destroy it.

The MX had a virtually unequalled accuracy and hard-target capacity and "we need it" he said.

A major issue for the House-Senate negotiations will be whether to make the deployment limit legally binding, as the House voted, or to follow the Senate in making it only a recommendation.

So far Congress has approved funds for 42 missiles, including 21 as recently as March. Since then, support for the missile has rapidly evaporated. Missiles above the deployment limit would be used for testing and spares.

- Mr George Bush, the U.S. vice president, may meet Soviet negotiators at the Geneva arms control talks during the seven-country "working visit" to western Europe that starts on Sunday, according to U.S. officials.

Mr Bush *yesterday described* his 10-day tour as "a listening, learning and consulting trip," in which he would discuss such issues as interim restraints under the Salt 2 Strategic Arms Limitation Treaty, *the* U.S.'s strategic Space Defence Initiative, arms control and international trade issues with Western European leaders.

Fed governor says prime rates may fall further

BY STEWART FLEMING IN WASHINGTON

U.S. Federal Reserve Board Governor Mr Charles Partee said yesterday that the com*mercial bank prime rate and* other market interest rates could fall further if the economy appears weak.

Mr Partee's comments followed a report from the *Commerce Department* that personal income in the U.S. declined 0.5 per cent in May, the sharpest monthly drop in 13 years.

The Department said that special factors, including unusually large subsidy payments to farmers in April, accounted for the May decline. It added that, with these distortions excluded, personal income grew 0.4 per cent in May and 0.3 per *cent in April.*

Personal consumption expenditures in May rose a moderate 0.7 per cent in spite of big tax refunds which boosted net of tax disposibaly income by 1.6 per cent.

The data has not altered expectations on Wall Street that the "flash" forecast of economic growth in the second quarter due today will confirm expectations that the economy is expanding only sluggishly at an annual rate of between 1 and 3 per cent.

U.S. decides against downgrading Peru debt

By Peter Montagnon Euromarkets Correspondent

U.S. Government agencies have *decided against a further down*grading of Peru's $13.5bn foreign debt despite arrears of interest totalling more than $400m and stretching back more than six months.

The decision is a break with normal practice which calls for debts to be declared "value-impaired" when a country has arrears of more than six months and no International Monetary *Fund* programme.

But the U.S. agencies responsible for supervising the banking system are understood to have decided against such a rating because it could have been counter-productive when Peru's administration is about to change with the installation of Sr Alan Garcia as democratically elected President.

Instead they have decided to review Peru's position again in September when the policies of the new government have become clearer. Sr Guillermo Garrido Lecca, Economy Minister said in Lima.

A value-impaired rating would have had serious consequences for Peru as it could have caused vital short term trade finance to dry up and impeded a solution to the country's pressing economic problems.

Bankers believe that Mr Paul Volcker, Federal Reserve Board Chairman, remains determined *not to let the debt crisis exacer*bate the already serious domestic problems of the U.S. banking industry.

He is also thought to have been the guiding hand behind this week's $480m bridging loan for Argentina to help meet overdue interest payments.

Until September, Peru's debt will remain officially rated "sub-*standard*," category which is designed to warn of difficulties but does not call for provisions to be mandatory.

Colombia deaths

Eight policement were killed, 13 buses burned and at least 10 bombs exploded in Colombian cities in the past two days in the run-up *to a nationwide* strike called by a communist-controlled labour federation and leftish guerrillas, AP reports from Bogota.

WORLD TRADE NEWS

Textile lobbies hit campaign trail

BY NANCY DUNNE IN WASHINGTON

ALTHOUGH the U.S. textile and apparel industries say they are on the edge of extinction, they have been able to muster considerable muscle in Congress in their crusade for protectionist legislation.

A vote on the textile measure may be months away, but Capitol Hill has been alive with lobbying from both sides of the issue. Industry groups, which some reports say will spend as much as $2m to ensure their Bill is passed, sent women wearing T-shirts and hats bearing the slogan, "Crafted with pride in the U.S.A." on to the campaign trail.

Sen Strom Thurmond of South Carolina and Georgia Congressman Ed Jenkins, chairman of the textile caucus, the chief backers of the legislation, dispatched buttons with the same slogan and "Dear Colleague" letters to explain that the U.S. textile and fibre industries, employing about 2m workers, are under seige from "unfair imports."

They warned of coming visits from "a group of importers ... who will claim that imports save money and that imports will not hurt U.S. jobs" and they attached a list of questions to pose to the visitors.

Last Thursday was "lobby day" for Ritac (Retail Industry Trade Action Coalition) which sent 20 groups of five people each to explain that protectionism "drains the very lifeblood" of the retail, textile and apparel industries and would cost American consumers an estimated $23bn in higher prices.

The battle has continued all month. Fact (Fibre, Fabric Apparel Coalition for Trade) called a Press conference to denounce a planned advertising campaign by retailers which they said would encourage consumers to "buy foreign."

Imports, they added, did not mean cheaper retail prices, and they presented a list of foreign-made items costing as much as those produced in the U.S.

Ritac insisted it had not finalised advertising plans and that retailers like to "buy American" when the goods are available.

At the end of last week, the industry groups were in high spirits: a new convert, Sen Lowell Weicker of Connecticut, had been added to the 51 Senators committed to their legislation. In the House, the protectionists said they had 277 backers and enough to override a Presidential veto, if necessary.

But they had yet to hear from the Reagan Administration, which is reported to have decided to launch its own all-out attack on the proposed Bill.

One Senate aide said, however, that no member of the Cabinet would agree to put his name to an Opposition letter, and others said the Administration had hinted that it might strike a deal with the textile lobby—no Bill in exchange for more vigorous enforcement of the Multifibre Arrangement

The Bill in question, according to Congressman Jenkins, would "sew up gaping loopholes" in textile trade agreements. It divides the textile producers into major and minor exporters.

The 12 biggest exporting nations, holding 1.25 per cent each of the U.S. market or more including Taiwan, South Korea, Hong Kong, China, Japan) would be allowed to grow only 1 per cent a year from 1986 on, while the smaller producers would be allowed to increase their exports by 6 per cent annually. The EEC, Mexico and Canada are excluded from the proposal.

The future of the MFA agreement is uncertain. The Administration is still divided over whether to aim for a strong MFA or to throw the arrangement away completely in the name of freer trade when the pact expires next year.

Meanwhile, the outlook is increasingly bleak for the industry, which despite heavy investments in modernisation, has lost 200,000 jobs and 250 plants in the past four years.

A study by Data Resources said that imports have grown at an average annual rate of 13 per cent for the past 10 years, while the market has expanded only 1.4 per cent a year.

At this rate, imports will hold an 80 per cent share of the apparel market by 1990, the report said.

On the other side, Mr William Andres, chairman of Ritac, warns that "we can't turn back the clock to a time when competition was just down the street, or just around the corner."

Trade restrictions, he contends, cost as many as three jobs for every one they "save." He calls on the textile and apparel industries to meet the overseas competition head-on.

For now, the protectionists have the emotional high ground.

The Administration barely held off protectionist forces last year, and with politicians of all persuasions eyeing the 1986 elections with concern, the President may be unable to turn the tide again.

Digital Equipment to support standard computer link-up

BY ALAN CANE IN LONDON

DIGITAL EQUIPMENT Corporation (DEC), the world's second largest computer manufacturer, will today announce in Geneva its commitment to a standard for connecting computers of different makes that has so far been championed chiefly by the leading European computer manufacturers.

The standard, Open Systems Interconnection (OSI), has the tacit approval of the large U.S. computer groups, but progress towards universal implementation has been slow. Industry observers believe that DEC has moved significantly ahead in incorporating OSI principles into its own designs. Mr Clem Jones, head of public data networks at British Telecom, said: "DEC's commitment to OSI means that multivendor networks have come of age."

M Jean-Claude Peterschmitt, chairman of DEC Europe, said: "I believe our lead will boost the efforts to harmonise standards being made by a number of information technology manufacturers, particularly those of European companies, in collaboration with the European Community."

Work on OSI was started by the International Standards Organisation (ISO) eight years ago in an attempt to solve a serious problem in computing and data communications.

Customers wanted to buy and link equipment from a variety of suppliers, but an absence of interconnection standards coupled with the fact that each maker was developing its own communications technology meant that linking one manufacturer's kit to another was difficult and costly.

OSI provides the sets of rules necessary for easy interconnection.

Daimler-Benz to make engines in Mexico

BY RUPERT CORNWELL IN BONN

THE CURRENT official visit to West Germany of Sr Miguel de la Madrid, the Mexican President, bore its first tangible fruit yesterday with the conclusion of a wide-ranging co-operation deal between Daimler-Benz and the privately owned Mexican motor manufacturer Fábrica de Autotransportes Mexicana (Famsa).

The agreement was signed by the President and Herr Werner Breitschwerdt, chief executive of the West German company. It covers the production of Daimler-Benz diesel engines for trucks, medium-sized commercial vehicles, road tractors and bus chassis.

The deal calls for Daimler-Benz to take a 49 per cent stake in Famsa, which is the only diesel motor producer in Mexico not in state hands. Between 1986 and 1990 its output of commercial vehicles is scheduled to rise from the present 2,400 annually to over 10,000.

Electronics companies sign pact on radar

BY PAUL BETTS IN PARIS

A GROUP of leading European electronics companies have signed an agreement to collaborate in the studies and development of the radar system for the future European fighter aircraft.

Although defence ministers of Britain, France, West Germany, Italy and Spain again failed to reach an agreement on the new aircraft during talks in London this week, the agreement between the electronics groups represents an important step forward in terms of collaboration at an industrial level by component manufacturers.

The manufacturers from the five European countries appear to have made more progress than the other parties on the new aircraft project.

Washington 'will go ahead with trade talks in 1986'

BY CHRISTIAN TYLER, TRADE EDITOR

THE U.S. will open negotiations to liberalise world trade next year whether or not there is a consensus in the General Agreement on Tariffs and Trade, according to Mr William Brock, former U.S. Trade Representative.

Mr Brock said in Geneva yesterday that the U.S. would talk to any country prepared to negotiate, and would insist that trade in services—a controversial item on the Gatt agenda—were part of the discussion.

Mr Brock, now U.S. Secretary of Labor, warned that the Gatt would collapse if new issues like trade in services were not included.

Although Mr Brock no longer has the authority to define the negotiating posture of the U.S., his comments yesterday suggest that the U.S. is reviving the threat that America will look for some kind of "mini-Gatt" of like-minded nations, or will strike a series of bilateral free trade agreements.

He said: "If some countries want to block the Gatt, then we will meet with those who want to talk.

"If people want to destroy the Gatt, one way to do it is to limit its growth and to deal only with the subjects of the past," he added.

Without new trade talks, the world could find itself "trembling on the edge of a chasm of protectionism." Protectionist pressure in the U.S. itself could lead to retaliatory action throughout the world.

Mr Brock's remarks can be seen as a warning to developing countries reluctant to enter a new negotiating round. Their opposition, however, is less solid than before, according to officials in Geneva.

Following an informal meeting of trade ministers in Stockholm recently it is expected that preparations for a formal negotiation will be set in motion before the end of September.

Saudis ask for share of petrochemical markets

BY CHRISTOPHER PARKES

SAUDI ARABIA yesterday asked established petrochemical companies to share some of their markets with the Saudi Basic Industries Corporation, which will this year reach full production at its new polyethylene plants.

Dr Abdulaziz S. Al-Jarbou, Sabic's director general of projects, also warned a conference in Chicago yesterday that his company intended to bid for a share of the U.S. plastics market "in free and open competition on our merits."

Appealing for greater collaboration on rationalising production plans and exchanges of marketing and technological expertise, Dr Al-Jarbou also proposed "petrochemical companies could co-operate by relegating to the new producers a portion of their commodity grade requirements."

Established producers, he added, could concentrate "downstream with production of specialised products."

He recognised that older producers would need to maintain output of commodity plastics to be able to offer a full range. "However, ties with new producers will ... lend stability to the overall price structure and maintain essential grade and price differentials," Dr Al-Jarbou added.

He repeated the corporation's pledge that its full 685,000 tonnes-a-year output of high density and linear low density polyethylene would enter world markets in "an orderly and constructive manner."

Production of PVC, polystyrene and melamime, which is due to start in the near future, would bring Sabic's total ouput up to around 1m tonnes,

Sabic's entry into the market with a 3-4 per cent increase in world capacity, was planned in the 1970s. The industry had plenty of warning, Dr Al-Jarbou said. "We did not bring on the recession. We did not engineer the price collapse ..."

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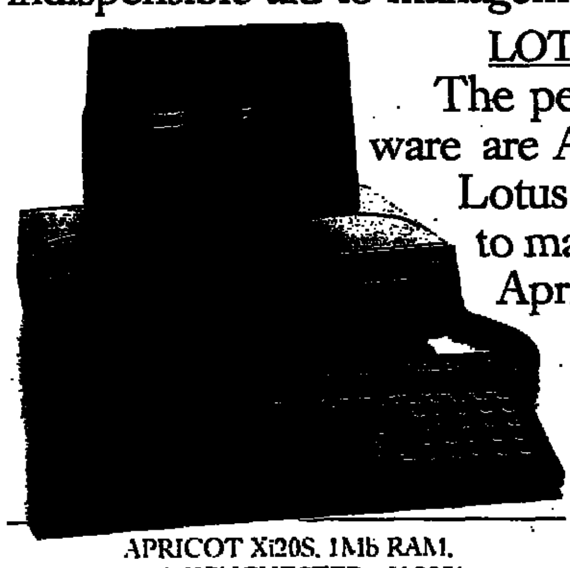

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Design	Mark	Supplies
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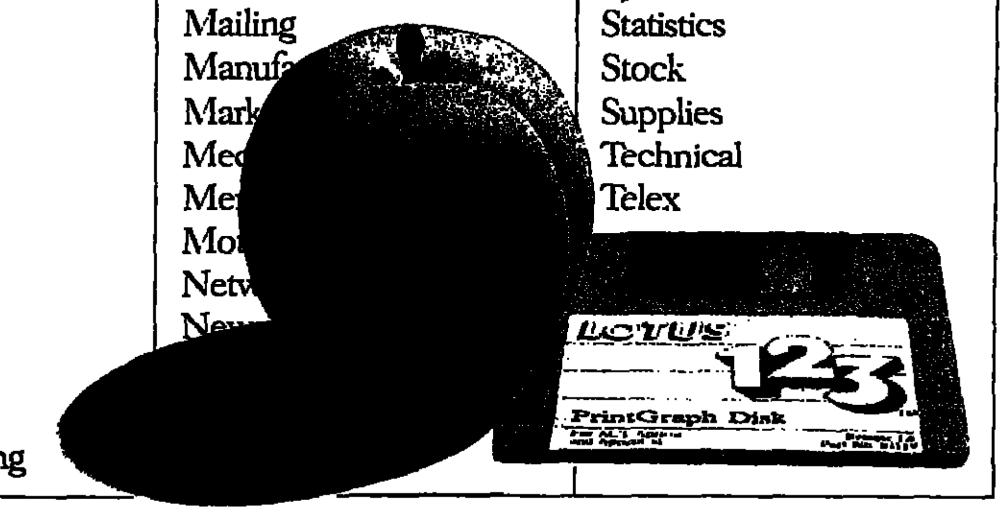

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UK NEWS

Candy to resume dishwasher production in UK

BY CHRISTOPHER PARKES

THE FIRST dishwasher to be made in Britain for about five years will appear in UK shops later this year when Candy, the Italian appliance maker, starts production at its factory at Bromborough on Merseyside, north-west England.

The company plans to follow the move with another new venture, manufacturing combined washer-dryers for the home laundry market, Mr Paul Murphy, managing director of the UK company, said yesterday.

The first dishwashers off the line, expected in late September, will be assembled from parts imported from Italy. But negotiations are under way with UK companies to provide parts to make the first all-British machines early in the new year.

Candy, which started appliance manufacture in the UK in 1982 when it saved the Kelvinator refrigerator business, plans to manufacture up to 25,000 dishwashers a year in the early stages. This year it plans to sell some 15,000 units, mostly imported from Italy.

Mr Murphy said yesterday the company was negotiating with the Electricity Council and hoped to supply its machines for sale under the electricity boards' Electra brand. It is already strongly established as a supplier of Electra refrigerators and fridge-freezers.

The Electricity Council is one of the country's main outlets for dishwashers, in a total market of about 200,000 sales a year, worth some £46m.

While the council is keen to sell British-made dishwashers, it is actively campaigning for a machine smaller than the standard size like the Candy model. It would prefer to have its label on an appliance about the size of the Kenwood model, which faded in the 1970s, or the Cygnet brand, the last British-built machine, which disappeared about five years ago.

Candy is also talking to other big UK appliance companies about the possibility of supplying them with dishwashers they could label with their own brands.

The plans for making washer-dryers are not far enough advanced for the company to give any details, but Mr Murphy said that since the UK was the only large market in Europe for such appliances, it made sense for them to be made here.

Sales of washer-dryers this year are estimated at about 75,000 machines. About 95 per cent of all Italian output is exported to the UK, Mr Murphy said.

Britain is also the most interesting European market for dishwashers. Only about 7 per cent of homes have one, compared with figures approaching 20 per cent in other European Community countries.

Mr Murphy said Candy had decided to manufacture in Britain partly because transport costs had become prohibitively high. Shipment of a fridge-freezer from Italy to Britain added about £16 to the cost of each appliance, and £9 to the price of a dishwasher.

Having halved the size of its plant when it rescued Kelvinator, Candy is now ready to grow again. It is negotiating with the present tenants to take over its old works. Mr Murphy would not disclose the cost of the expansion and was reluctant to discuss the possibilities of taking on extra workers.

The move into dishwasher manufacture represents something of a coup for Candy, which this year celebrates its 40th anniversary. It is the only Italian appliance maker manufacturing in the UK.

British manufacturers have been prevaricating for years over the pros and cons of moving into dishwashers and, despite a 70 per cent increase in sales in 1983 – maintained last year and still holding steady – they have so far failed to act.

An attempt by Hoover UK, Hotpoint, TI-Creda, Thorn EMI and Servis to set up a manufacturing consortium collapsed a year ago.

Ian Rodger looks at the danger facing outdated industry

Automation call to engineers

ENGINEERING companies can double or even treble their profits if they employ automated manufacturing technologies (AMT), according to the National Economic Development Organisation (Nedo).

British engineering companies face ever-increasing international competition, a Nedo study group report published yesterday says, and many will not survive unless they adopt AMT.

Mr John Osola, chairman of the group, said yesterday that the 40 case studies in the report, which include leading companies such as Dowty Mining Equipment, Caterpiller Tractor, Hamworthy and Ruston Gas Turbines, showed that AMT not only provided substantial financial and organisational benefits. In many cases, it could also be self-financing because it brought about significant reductions in working capital.

BENEFITS OF AUTOMATION

	Small company	Medium-sized company	Large company
Products	Industrial valves	Compressors	Brake and clutch sub-assemblies
Annual sales	£3.2m	£7.8m	£20m
Employees	127	312	904
Capital employed	£1.8m	£3.9m	£7.9m
AMT investment	£690,000	£4.25m	£9m
Results after 7 years			
Total costs	−14 per cent	−19 per cent	−26 per cent
Operating profit	+146 per cent	+141 per cent	+219 per cent
Delivery time	−50 per cent	−75 per cent	−60 per cent
Tendering time	−80 per cent	−80 per cent	na
Cash flow after 2 years	−£229,000	−£682,000	−£1.6m
Cash flow after 7 years	+£1.6m	+£4.9m	+£14m
Employment after 7 years assuming no sales growth	−24 per cent	−50 per cent	−52 per cent
Employment after 7 years assuming growth plan succeeds	+65 per cent	−18 per cent	+14 per cent

Source Nedo

Mr Osola, a former chief executive of Redman Heenan, said it was still not too late for British engineering companies to set out on automation programmes. "The more I see of foreign competitors, the more I believe we are in with a chance. Companies in other European countries are all just as worried as we are."

He said the Nedo call to companies to upgrade their manufacturing technology had the full endorsement of the Government and the trade unions. Mr Geoffrey Pattie, the junior industry minister, urged companies to heed the message of the Nedo report, that embarking on AMT was easier than many companies realised. It could be implemented step by step, with the savings from one phase being applied to finance the next one.

Mr Osola said the report was addressed particularly to the 2,500 medium-sized engineering companies (with 100-500 employees) that had survived the last recession. "They have come through six years of hell and are generating profits again. This is just the moment when they should be looking to improving their equipment. Those who do not may not survive the next five years."

He said the case studies would also provide useful reference points for banks when they were asked to help to finance AMT projects. He hoped that banks would offer reduced interest rates during the first two years of a project, when there was often a heavy cash outflow.

Asked about the ability of UK machine tool manufacturers and other AMT suppliers to meet the demand, Mr Osola said that was not the main issue. "The important thing is to get British industry to buy the best, wherever it comes from. But I do not think there is any shortage of available technology in the UK. And the machine tool industry has had a very encouraging recovery in orders."

Court rejects attack on Portuguese law

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE COURT of Appeal has refused to make a ruling which, it said, would be "deeply embarrassing and offensive" to the courts of Portugal.

Three appeal judges yesterday rejected an attempt to obtain, through the Portuguese courts, evidence from two former Portuguese Government ministers for use in a $25m claim over a cancelled shipbuilding contract.

The court had been told that the evidence was needed to establish an allegation that the Portuguese Government had, "under the cloak of legislating for public purposes," passed a decree law designed to protect the commercial interests of a state bank and a state-owned shipbuilder.

Sir John Donaldson, the Master of the Rolls, said that Settebello, a Liberian company, had ordered a 320,000-tonne tanker from a state-owned Portuguese shipbuilder, Setenave Estaleiros Navais de Setubal. The contract provided that if the vessel were not ready for delivery by April 30, 1982, Settebello could cancel and be repaid all its advance payments, with interest. The repayments were guaranteed by Banco Totta and Acores, a state bank.

On April 20, 1982, when it was clear that the vessel would not be ready on time, the Portuguese Government published a decree law providing that Portuguese companies declared under an earlier law to be in a "critical economic condition" could suspend cancellation of any contract with them for two years.

Setenave invoked the law; Settebello cancelled; Setenave failed to make repayments; the bank denied liability; Settebello sued the bank, which had a UK office, in the High Court.

It sought letters of request to the Portuguese and West German courts for evidence to be obtained from six people. They included Dr. Robin D'Andrade and Dr Alberto Justiniano, respectively Secretary of Finance and Secretary of Industry in Portugal when the decree law was passed. None of the six was willing to give evidence.

The application was refused by the High Court last July.

Rejecting Settebello's appeal, Sir John said the shipbuilding contract and guarantee were both subject to Portuguese law.

Any letters of request would involve inviting the Portuguese courts to assist the English courts to investigate the allegation.

"Such a request would, in my judgment, be deeply embarrassing, and indeed, offensive, to the Portuguese courts."

"Judicial comity, or good neighbourliness, between the judges of different friendly foreign states, requires that they refrain from making such requests of each other," Sir John concluded.

Lord Justice Neill and Sir John Megaw agreed that the appeal should be dismissed.

Airlines given more freedom over Anglo-Dutch fares

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIRLINES flying between the UK and the Netherlands will have greater freedom over fares in future, as a result of further improvements to the already liberal Anglo-Dutch air agreement.

Whether the changes will result soon in new cuts in fares remains to be seen. Most airlines have already cut their fares on the route by as much as they feel is economically sensible. The cheapest return rate, London-Amsterdam, is £49. It is thought that the main scope for further cuts will come from airlines starting new services.

The improvement comes through what is called "double disapproval" of air fares. This means that any new fares proposals from the airlines serving the two countries can only be rejected if both governments disapprove them. Until now, it has only required one government to reject a fares cut.

The two governments have agreed on this further step in liberalising air traffic between the two countries because of the success of the pact so far.

In the year since it became operational, passenger traffic between the two countries has risen by 16 per cent, compared with the average rise of 10 per cent on other European air routes.

The UK Department of Transport estimates that, over the past year, some 70,000 additional passengers have been attracted to the route. Some 10 air services have been introduced and licences for another 19 new services are being considered.

British Midland plans new European routes

BY OUR AEROSPACE CORRESPONDENT

BRITISH Midland Airways, the independent airline that competes with state-owned British Airways on UK internal routes, is considering similar competition on short-haul international routes in Europe, flying from Heathrow airport, London.

It will be able to do so as a result of the Government's recent White Paper (policy document) on airports policy, which contained a little-publicised clause partly easing the Government's original restrictions on new international flights out of Heathrow.

Those restrictions were introduced in 1977 to ease congestion at Heathrow. In effect, they meant that any airline that had previously used Heathrow for scheduled international services, but which had for some reason stopped flying those routes, would have to go instead to Gatwick airport, south of London, if it wanted to renew flights on the route.

British Midland at one time flew regularly between Heathrow and Strasbourg, but stopped that route on economic grounds.

Now that the Government has eased the restrictions, airlines such as British Midland will have the right to resume such flights from Heathrow.

British Midland has already made applications for rights to fly from Heathrow to Strasbourg, Rotterdam and West Berlin.

Mr Michael Bishop, chairman, said yesterday that the airline was not planning a big expansion of European international operations immediately.

"We will take our time and analyse the likely markets," he said. But he indicated that the effect of the White Paper was to open the Heathrow gateway to his airline for both European and long-haul routes.

● Mr Bishop said it was intended to place up to 20 per cent of the shares of Manx Airlines, a subsidiary of British Midland, with companies and individuals resident in the Isle of Man.

European electronics groups urged to seek global market

BY RAYMOND SNODDY

FINANCIAL TIMES World Electronics CONFERENCE

DR ROBB WILMOT, chairman of International Computers (ICL), called yesterday for urgent action to create a globally competitive European information technology industry.

Europe, caught in the crossfire between the U.S. and Japan, had been taken unawares by the change from the national markets of the 1970s to the global markets of the 1980s, Dr Wilmot told the Financial Times World Electronics Conference in London.

"Civil servants and boards alike possess the obsolete skills of manipulating their national environment rather than targeting 5 per cent world market share against their Japanese counterparts," he argued.

A renaissance of enterprise in Europe, with European-owned companies generating wealth in Europe for Europeans, needed urgent measures such as:

● The elimination of all inward investment subsidies and their replacement with a 30 per cent automatic subsidy for qualifying European enterprises.

● Zero tariffs on emerging technologies to foster competitiveness.

● A pan-European fiscal scheme allowing both private and corporate tax deductibility on qualifying investments.

● Full compensation for the costs of recapturing technologists from U.S. and Japanese companies, and the prohibition of European nationals from working on the U.S. star wars project until America stops excluding non-nationals from projects such as the Strategic Computing Initiative.

Dr Henry Ergas, principal administrator for planning and evaluation in the Organisation for Economic Co-operation and Development (OECD) warned that with the exception of aerospace, its competitive position in individual high-technology industries had been deteriorating.

The European policy of backing "national champions" in particular industries had compounded weaknesses and undermined strengths. Preferential public procurement had prevented other, more viable domestic companies from developing and the process of generational change had passed Europe by. It is not, Dr Ergas argued, that the EEC countries are spending too little on research and development but that its "efficacy" was so low.

The first step in reversing the deteriorating trends facing Europe was to seek an environment that is genuinely less regulated, he said.

Mr Wilfred Corrigan, chairman of LSI Logic, warned that electronics companies had to compete on a global basis to be successful. In practice, that meant the markets of the U.S., Europe and Japan.

"To cede one of the legs of the triad to competitors leads to inevitable defeat," Mr Corrigan said. LSI had built a Japanese factory and raised $20m in Japan within two weeks.

Dr Herman Franz, executive vice-president of Siemens, said there was no cause for despondency in the European semiconductor field.

Although Europe had to import more than two thirds of its integrated circuits (ICs), European companies had a 25 per cent share of the world market for non-standard ICs. They showed particular technical strength in ICs for the telecommunications market, the motor industry and medical microelectronics and in developing semi-custom ICs for the factory of the future.

Mr Thomas Perkins, general partner of Kleiner Perkins, Caulfield & Byers, the venture capital company, said that, contrary to recent press speculation, venture capital in the U.S. was in good shape.

There was a tendency for the gap to widen between the companies at the top of the pyramid and the base.

At KPCB, a variant of the Japanese Zaibatsu system – diverse industries linked by a common structure – was being used. The presidents of companies KPCB had invested in met regularly and bought and sold to each other on a significant scale.

Mr Rolf Skar, managing director of Norsk Data, the Norwegian mini-computer company, said that in rapidly changing markets it was essential to have both the courage and skills to do the things you really believe will be future products. It was better to focus on the user value of products rather than on minimising manufacturing cost.

Pressure grows for joining EMS

BY FINANCIAL TIMES REPORTER

ONE of the best practical results to emerge from the forthcoming Milan European Summit would be a decision by Britain to participate fully in the European Monetary System, according to Mr David Howell MP, the former Energy Minister.

Mr Howell was speaking at a conference on Britain and the EMS, organised by the Federal Trust.

"Full participation by Britain in the EMS would reduce the volatility of European exchange rates, which is itself a serious barrier to trade and to the strengthening of the Community as a trading bloc."

Mr Anthony Loehnis, director of the Bank of England, said there remained important reservations. Those were based on the so-called petro-currency effect, and on the fact that the pound and the D-Mark often behaved differently at times of large swings in the external value of the dollar. "This is obviously a particular worry when, as now, the outlook for the dollar is uncertain."

Viscount Etienne Davignon, director of Société Générale and former member of the European Commission, argued that it was inconsistent for the British Government to press for the liberalisation of the Community's internal market while staying out of the exchange-rate mechanism.

EEC backs high-tech fund

GRANVILLE, a London-based licensed securities dealer, is leading a consortium of members of the European Venture Capital Association (EVCA) which hopes to make available £10m annually to back companies involved in advanced manufacturing technology.

The EEC has provided £200,000 to get the project of the ground, but the equity itself will come from EVCA members. The EEC's investment is to be repaid if the fund is profitable.

Euramtech, as the fund will be called, is intended to help European businesses form co-operative ventures, mergers or acquisitions across national boundaries and to ward off Japanese competition.

It aims to specialise in small to medium-sized companies in computer-aided design and manufacturing, robotics, laser, ultrasonic and other high-technology tools.

UK NEWS

Funding cuts 'pose N-waste danger'

By Ian Hargreaves

CUTBACKS in research have seriously damaged Britain's ability to devise safe solutions for the disposal of radioactive waste from nuclear power stations, a group of scientists said yesterday.

Four scientists from the Natural Environment Research Council also told the House of Commons Environment Committee of their anxieties about radioactive deposits in the Irish Sea and on land near the Sellafield nuclear reprocessing centre in Cumbria.

They criticised the UK authorities for failing to monitor the discharge of radioactive particles from Sellafield.

In written submissions, the council highlighted the termination in 1981 of grants to the British Geological Survey into sites for waste disposal.

The UK, it said, could not rely on research from other countries, since the country's geological conditions were unique.

"Practical experience of the UK environment and of disposal problems is therefore essential to ensure that the UK can cope safely with its own waste disposal problems in the longer term."

There was a danger that discontinuities in research would drive the best scientists overseas and delay the development of practical solutions, the council claimed. "Consistent policies for the funding of research programmes are essential. This applies especially to options for the disposal of high-level wastes.

The committee was told that scientists needed to carry out full-scale field research rather than laboratory and desk work before being certain that any given site is safe for the storage of nuclear waste.

Further 8,000 jobs lost in manufacturing

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

A FURTHER 8,000 jobs were lost in manufacturing industry in April after a loss of 27,000 jobs in the first quarter of the year, according to official figures published yesterday.

The falls followed a small increase in manufacturing employment in the final quarter of last year, when hopes were raised that the tide of job losses in the sector might be on the turn.

The latest figures from the Department of Employment, which are adjusted to take account of the normal seasonal variations, showed that in the latest three months, jobs have been lost at the rate of 9,000 a month.

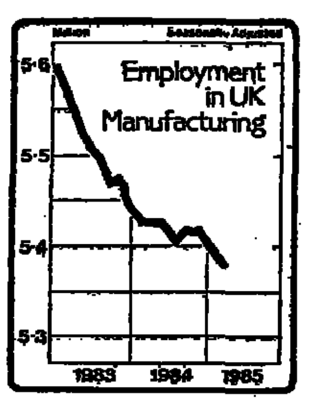
The number employed in manufacturing in April was 5.38m, which was 46,000 fewer than a year earlier.

The recent pattern has indicated that job losses in the manufacturing sector are being more than offset by increases in other sectors. Most of the new jobs have been for part-timers and for women.

Figures for total employment in the first quarter of the year are not yet available.

Yesterday's figures also showed a sharp acceleration in the average earnings by employees in industry. In the 12 months to March, average earnings rose by 11.8 per cent, but in April the figure was 13.7 per cent.

Much of that rise represented the increase in miners' pay after their strike. After taking that and other special factors into account, officials estimate that the underlying rise in average earnings in April was 8¼ per cent, the same as in the first three months of the year, but somewhat higher than in the final quarter of 1984.



For the economy as a whole, average earnings rose by 9.4 per cent in the 12 months to April, compared with 9 per cent in March and only 7 per cent in January. The underlying rate of increase is estimated to have remained steady at 7½ per cent.

The figures show an ominous acceleration in manufacturers' wage costs per unit of output. Those rose by 8.9 in the 12 months to April, compared with an annual rise of 5.3 per cent in February and only 3.7 per cent in the first quarter of last year. In the latest three months, unit wage costs were 6.4 per cent higher than in the same period a year ago.

Mr Tom King, the Employment Secretary, said the rate of increase was now twice what it had been a year ago, although competitors' unit wage costs were either static or declining.

He said: "It is the clearest possible warning of the risk we run of pricing British goods out of foreign markets."

John Moore investigates a collapsed underwriting agency

How £130m was lost at Lloyd's

DELIBERATE manipulation of accounts; a radical change in accounting policy and a range of other management decisions at the stricken Richard Beckett Underwriting Agencies company at Lloyd's, the London insurance market, have damaged the trading position of 1,525 underwriting members, who are facing £130m of losses.

That is the main conclusion of accountants Price Waterhouse, who have been carrying out an investigation on behalf of a steering group of underwriting members seeking to protect their interests.

A report of Price Waterhouse's findings is due to be sent this week to 350 underwriting members who have contributed to a "fighting fund" to find out why they are facing such huge losses.

In their report, Price Waterhouse claim that there appears to have been concealment or manipulation of the true level of premium volume being accepted between 1978 and 1981. Unexplained entries have been made in the accounts, which appear to have had the effect of significantly distorting the results.

Price Waterhouse has been re-examining the main parts of the audit trail at the agency company in an effort to establish more of the background to the losses faced by underwriting members.

The problems under study are linked to the troubles that surfaced in late 1982 when it was discovered by Lloyd's and executives of Minet Holdings, the insurance broker that owns the Beckett agency, that money had been misappropriated from the underwriting funds of the Lloyd's members by other senior executives.

By last year Minet had discovered that around £40m had disappeared from the underwriting members' funds to interests of Mr Peter Dixon, Mr Peter Cameron-Webb, once managers of the agency (which was formerly known as PCW) and their associates. The money was used for the two men's personal benefit.

A key part of Price Waterhouse's investigation centres on the involvement of a Bermuda-based insurance group, Chiltern Reinsurance Company, with the affairs of the underwriting members.

Chiltern was owned by Bland Payne Reinsurance Brokers (now part of the giant insurance broking group Sedgwick) until 1981 when it was sold to a company called Citadel. Chiltern was one of numerous independent entities which was used by Mr Cameron-Webb to channel funds from the underwriting members to companies which it later transpired he controlled.

Now Price Waterhouse believes that Chiltern may have been used to disguise the level of premium in the accounts of syndicates into which the underwriting members were grouped and any overtrading. Money was passed out of the syndicates to Chiltern in the form of reinsurance contracts, which was returned after claims by the syndicates at a later date.

They are arguing that the insurance arrangements with Chiltern should be thoroughly investigated to determine the extent of the problem. But they have found that between 1974 and 1976, gross premiums accepted by the syndicates exceeded Lloyd's premium income limits between two and three times.

The steering committee of underwriting members argues that Chiltern was central to the reinsurance arrangements of the eight insurance syndicates at Lloyd's into which they were grouped. All Lloyd's insurance syndicates, like insurance companies, lay off large parts of their insurance risks with reinsurance groups to protect themselves against onerous losses.

Large reinsurance funds were built up with Chiltern, which in turn was channelling substantial sums of money to Mr Cameron-Webb's interests in Gibraltar. When the problems were being unscrambled by Minet and the Beckett agency and money was brought back from Chiltern at the end of 1983, the funds, in the opinion of Price Waterhouse, were allocated disproportionately between the syndicates. No part of the Chiltern funds were allocated to two syndicates – 918 and 940, which specialised in non-marine or general insurance business, concludes Price Waterhouse. The two syndicates were "in deficit" under the policy, and that is why they did not receive funds.

Moreover, Price Waterhouse concludes that the protection of the Chiltern policy for the syndicates was effectively eliminated. By 1981, syndicates 918 and 940, which are bearing the brunt of the losses, had little reinsurance protection for their liability insurance business, in which insurance claims take years to arise. It was Chiltern that was providing the bulk of their protection.

Price Waterhouse believes that a change in the syndicates' reserving policy for insurance claims has also compounded the problems. In December 1984 a new underwriter at the Beckett agency for the non-marine syndicates changed the basis of reserving for future claims. Price Waterhouse considered that the method used to estimate the reserves for liability business for syndicates 918 and 940 was intrinsically better than the method used in 1983. Essentially the underwriter, Mr Ralph Bailey, took a more conservative view than his predecessor a year earlier.

If the method used in 1984 had been used in 1983, then reserves required a year ago for the two syndicates would have been £17m higher, a 67 per cent increase.

That was a crucial piece of information, says the steering committee. It was not known to the underwriting members at the time a return of funds of nearly £40m was made by Minet and the agency to the underwriting members. The money was designed to compensate the members for the funds which had gone missing.

The offer to the members, made last year, required that the members surrender their legal rights to sue anybody to a company controlled by Minet and Alexander Howden, another insurance broker. They could not receive the funds unless they assigned their legal rights to the company, called Jufcrest.

The steering committee says that the offer was accepted by most of the members on the basis that the documents circulated by the agency "contained full provisions or reserves for future underwriting losses for years of account up to 1982. This has now not proved to be the case."

Material information, relating to the Chiltern reinsurances, was not contained in the offer documents, says the steering committee.

Price Waterhouse says that the understatement of the reserve for future claims on syndicates 918 and 940 at December 1983 "seems to us to demonstrate that the basis on which the offer was made to the names (the underwriting members) was unsound."

The accountants argue that there would be considerable reinsurance claims available to the non-marine syndicates from various contracts arranged with Gibraltar interests if the reinsurances had been treated as commercial arrangements. Instead, the policies were cancelled when the money was returned to the underwriting members.

Minet had two choices in sorting out the problems: either it could seek to recover the funds as soon as possible and cancel the policies; or it could leave the policies in existence. It chose to recover the money.

Price Waterhouse observes that investigations have been or are in the process of being performed by professional accountants on behalf of, among others, Lloyd's. "Their findings ought to be made available to names," the accountants say.

British Rail loss set to top £400m

By Sue Cameron

STATE-OWNED British Rail is s[…] to report trading losses of so[…] £400m – far higher than expecte[…] when it announces its results [in] three weeks' time.

The bulk of the losses BR is e[x]pected to report for the 15-mon[th] period up to March 31 this year a[re] accounted for by its freight bu[si]ness, which was depressed by t[he] miners' strike. But it is thought t[hat] total losses in the freight sector w[ill] be around £280m–£300m more th[an] the £250m accounted for by the se[…] en months' strike BR has admitt[ed] up to now.

On top of that, it is understo[od] the group has had to pay out so[me] £70m in interest charges over t[he] period. It is also believed to ha[ve] borne a trading loss from its Se[a]link ferry subsidiary in the s[…] months up to July last year wh[en] the ferry company was sold to t[he] private sector. In addition, BR [is] thought to have set aside a pro[vi]sional £80m for redundancy pa[y]ments at British Rail Engineering.

Part of BR's losses is believed [to] have been offset by surpluses [in] certain businesses – notably prope[r]ty and the British Transport Adve[r]tising subsidiary, which it ow[ns] with the National Bus Compan[y]. But it is thought that the only pa[rt] of the basic railway business th[at] will show a substantial profit wh[en] the results are announced ne[xt] month is its parcels service.

British Rail's last results show[ed] a small surplus of £8m after pa[y]ment of the Public Service Oblig[a]tion grant by the Government. [BR] has made much of the losses [in]curred by its freight business as [a] result of the miners' strike. But [it] has been widely assumed that to[tal] trading losses would be roughly [in] line with the publicly announc[ed] freight losses.

Ford to stop British car wheel production

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD is to give up making car wheels in Britain. The move, to be completed by the end of 1987, will cost 200 jobs at the Dagenham plant in Essex, south-east England.

The company said yesterday it hoped the necessary reduction in jobs, representing under 1.5 per cent of the 13,500 employed at Dagenham, would be achieved by redeployment within the plant, special early retirement and voluntary redundancy programmes.

A minimum of £9.5m would have to be spent to modernise the existing wheel manufacturing facilities to meet future market demand for lighter wheels produced to finer tolerances, Ford claimed. But the company's car output forecasts suggest it would use only 40 per cent of the capacity of the new equipment.

In future, the company's requirements will be provided increasingly from outside suppliers, probably British. Ford is the only UK-based car maker to have its own wheel-production facilities.

Last year the Dagenham plant produced about 70,000 Fiesta cars and about 77,000 Sierra models, involving a total of 735,000 wheels.

There already has been considerable rationalisation of car wheel production in the UK, leaving the Dunlop Automotive division at Coventry, now part of the BTR group, as the chief supplier. GKN Kent Alloys supplies only aluminium car wheels for top-of-the-range and more expensive models.

Union protests began immediately Ford's decision was announced. An emergency meeting of the ASTMS representatives at Dagenham unanimously condemned the move. Mr Paul Talbot, ASTMS spokesman, said the company's proposals called into question the future of the Dagenham plant.

● Austin Rover, BL's volume car subsidiary, yesterday gave its 1,300 dealers details of the long-delayed promotional campaign which will boost the company's advertising expenditure this year to more than £20m. It is intended to take its UK new car market share to 20 per cent.

While the advertising campaign, based on the slogan "Now we're motoring," is the biggest in the group's history, the extra financial incentives for dealers are relatively modest compared with some campaigns last year.

NCB urged to review sackings

THE ALL-PARTY House of Commons committee on employment has called on the National Coal Board (NCB) to review, at both area and national level, the cases of more than 600 mineworkers dismissed during or after the 12-month pit strike and whose reinstatement has been refused.

That main recommendation of the committee's report on the miners dismissed by the board for misconduct was agreed on a majority vote of committee members when some were absent. It provoked a furious row among Tory members of the committee, which has a built-in Conservative majority.

□ TIMEX, which assembles the troubled Sinclair group's Spectrum computer under contract, said it would have to make 400 of its workers redundant at its Dundee, Scotland, factory because of lack of orders.

The company said it had been producing the computers to order and had received no more for the Spectrum. That was probably because of the high level of stocks in the shops.

□ BRITISH Aerospace presented a £7.5m guided missile simulation laboratory at Stevenage, Hertfordshire.

British Aerospace Dynamics paid for the investment out of its own resources with the aim of cutting the costs of developing missiles. The company can simulate 1,000 live missile tests in the laboratory for the cost of a single live firing.

□ THE SCIENCE and Engineering Research Council announced the setting up of a £2m "club" to carry out research in protein engineering, the science of manipulating genes to produce new proteins.

The first four members of the club are Celltech, the leading British biotechnology start-up company, Glaxo, ICI and RTZ Chemicals/J & E Sturge.

□ THE DEPARTMENT of the Environment has launched an urban housing renewal unit to tackle the problems of the 1.3m substandard homes on Britain's run-down and badly managed council estates.

The unit will work with local authorities to offer advice and assistance and help draw in private-sector funds and urban development grants to supplement the housing investment programme funds from the department.

□ TWO LEADING accountancy bodies, the Institute of Chartered Accountants in England and Wales and the Chartered Institute of Public Finance and Accountancy, outlined long-term plans to "move closer together." But they confirmed that proposals for an early merger in 1986 had proved impractical.

The councils of the two institutes said in a joint statement: "The two institutes have concluded that they should seek to align their policies as a basis for a merger or some other form of close relationship."

□ NABISCO, the U.S. food group, has reached a three-year pay and productivity deal with the 1,700 production workers at its Jacobs biscuit factory in Aintree, Liverpool.

Decision reiterated over House of Fraser bid

BY DUNCAN CAMPBELL-SMITH

MR ALEX FLETCHER, the Minister for Trade and Industry, has reiterated the Government's decision in March not to launch an investigation by the Monopolies and Mergers Commission into the successful £615m bid for the House of Fraser stores group by the Egyptian Al-Fayed brothers.

His comments on the takeover came in a letter to Mr Ian Wrigglesworth, the SDP spokesman on economic and industrial affairs. Mr Wrigglesworth wrote on June 8 to Mr Norman Tebbit, the Trade and Industry Secretary, asking him to clarify the Government's attitude to the bid and the background to the decision not to refer it to the commission.

In his reply, Mr Fletcher has declined to elaborate on the reasons for the March decision, beyond what was stated by the Department of Trade and Industry at the time.

The department made clear in March that, in deciding against a referral, it had taken into account "the statements made and assurances given by the Al-Fayed family about the offer and ... the support given to those statements and assurances by Kleinwort, Benson."

Kleinwort, Benson is the merchant bank that advised the Al-Fayeds on their purchase.

Responding to the implicit suggestion by Mr Wrigglesworth that the beneficial ownership of the House of Fraser might be held by parties other than the Al-Fayeds, Mr Fletcher again indicated no change in the Government's position since March.

ANZ absorbs Grindlays

BY OUR FINANCIAL STAFF

THE AUSTRALIA and New Zealand Banking group has begun the process of integrating the operations of Grindlays Bank, which it acquired last year.

The group managing director, Mr Will Bailey, said yesterday that the proposed changes followed a detailed appraisal of Grindlays' organisation and operations.

The group will be run as two banks with a single management, based in Melbourne. But over time, Grindlays will be increasingly absorbed into ANZ.

The name of Grindlays will only be preserved where its elimination would disrupt existing customer relationships or legal ties. In the UK, corporate finance and specialist banking services will be conducted in ANZ's name, but personal banking will retain Grindlays' name.

Mr Bruce Dickinson, who recently arrived in London to oversee ANZ's operations in Europe, Africa, the Middle East and western Asia, said yesterday that the process "could take years."

ANZ will also be developing an investment banking arm in the UK incorporating Capel-Cure Myers, the stockbroking firm that Grindlays has negotiated to buy

U.S. BANKING

Firm discipline speeds Crocker reform

BY WILLIAM HALL, RECENTLY IN SAN FRANCISCO

MR FRANK CAHOUET, the 52-year-old banker who was brought in 15 months ago to rescue Midland Bank's $1bn-plus investment in Crocker National Corporation, denies that he is a workaholic but he could easily be mistaken for one on casual acquaintance.

Each morning, he is in his San Francisco office at 6.30 am, by which time his colleagues at Midland Bank in London should be back from lunch. He rarely leaves before 6.30 pm at night. He regularly works weekends and normally travels abroad over public holidays because it gives him an extra day to work.

California bankers, all of whom speak highly of Mr Cahouet (pronounced Cow-ett), say he will need all this energy, and more, if he is to turn around his new charge. If Bank of America has problems, Crocker's problems are far worse, say West Coast bank analysts. "Crocker has worse credit quality problems, higher operating costs relative to operations and Crocker has virtually never had a good position in the marketplace," says Mr Bob Gordon, who follows Californian banks.

Walking wounded

Mr Cahouet has inherited what might be politely described as one of the "walking wounded" in the U.S. banking community. Its experience between 1980 and 1984 would make an ideal Harvard Business School case study on how not to run a bank.

Last year Crocker lost more money than any bank in U.S. history save Continental Illinois, which has been nationalised, and SeaFirst, which was rescued by Bank of America. Three weeks ago Midland finally took full control in a bid to save what is left of its investment.

Mr Cahouet's job is to make sure the tale has a happy ending, as everyone from the governor of the Bank of England downwards must be aware. If Crocker does not pull itself together shortly, Midland's own future as an independent entity may also be at risk. There is a limit to how much more money it can pump into California's fourth biggest bank.

Mr Cahouet is a very different sort of banker from his predecessors who occupied Crocker's plush executive offices on the 37th floor of Crocker Centre. The trappings associated with being chairman of a big bank — despite its problems Crocker is still the 14th biggest U.S. bank — are lost on him.

So far as he is concerned, Crocker's lavish San Francisco headquarters and its luxury "Crocker Galleria" shopping complex, are just "pieces of machinery." If they can be sold off and the money put to better use, so be it. Nothing in the bank is sacred for Mr Cahouet as he goes about repairing its balance sheet. One of his first tasks was to hock the headquarters for $358m.

The signs of his more spartan regime at Crocker are very evident. The workforce has been cut by more than a sixth over the last three years and will be trimmed further. Crocker closed about 40 of its 350 branches last year and will probably shut a few more. Even the annual report, which reflects a bank's personality, is a shadow of its former self.

Businesslike

The glossy pictures have disappeared. Its size has been cut by a quarter, fewer copies have been printed and there is just one black and white photograph of the new management team. "We wanted to portray Crocker as being very businesslike and to the point" says Mr Dave Sanson, Crocker's battle-scarred public relations man. "We wanted to show that we were getting back to basics." He proudly notes that he saved over $100,000 in the process.

Although there have been plenty of reasons advanced for Crocker's problems over the last few years — high real interest rates, the agricultural recession and the slump in the U.S. property market—its main problem has been its management. It was allowed to grow far too quickly and the high inflation rate at the start of the decade hid management mistakes which have now been exposed.

RISE AND DECLINE AT CROCKER BANK

	Average assets $bn	Net income $m
1975	10.2	39.9
1976	10.7	45.4
1977	11.6	53.8
1978	13.0	75.2
1979	14.9	89.3
1980	17.2	95.1
1981	19.6	62.9
1982	23.6	71.6
1983	24.9	(10.4)
1984	23.1	(324.4)

In the five years before Midland bought majority control of Crocker, its earnings were growing at a compound rate of 19 per cent a year. Over the next four years, during which Midland pumped in $750m of new capital, Crocker lost $100m.

Plenty of other Californian banks have been lending to local farmers and local property developers who have done reasonably well over the last year or two, and it should not be forgotten that the Californian economy, which is bigger than that of such countries as Canada and Italy, had its best year since 1951 last year. It just happens that Crocker and Bank of America, to a lesser extent, let their credit standards slip.

Mr Frank Cahouet (left), Crocker chairman, says that five years from now it will look as though Midland Bank bought out the Crocker minority at just the right time and has a "super investment." Meanwhile, Mr John Brooks, deputy chief executive of Midland, has been appointed a director of Crocker National and its principal subsidiary, Crocker National Bank,

Although Mr Cahouet is sometimes described as the man who masterminded Security Pacific's highly successful diversification strategy into non-bank financial services, he spent the vast bulk of his 24-year career at Security Pacific on the lending side. Lending money is what he knows about and in the short-term he sees his job as making the bank's $22.5bn balance sheet work more effectively.

"If we can improve, for example, our net interest margin by 50 basis points, this is worth $80m a year to us," says Mr Cahouet. He stresses that he does not want to start a lot of diversification moves until he has straightened out Crocker's basic banking business. "There is a tremendous amount of money to be made by just repositioning how we use our present asset base." Mr Cahouet believes that when he is through he will have raised Crocker's after-tax return on assets from its current lowly 16 basis points to around 60 to 70 basis points, which is roughly twice what a UK clearing bank earns.

Only then will he be satisfied that he has wrung enough profit out of Crocker's balance sheet, and he admits that it could take between three and five years to get Crocker back up to these sorts of levels. His immediate problem is the $1.3bn of non-performing assets (5.9 per cent of the total) which are a tremendous drag on earnings. If Crocker did nothing more than cut its problem loans to the industry average, it would be earning $30m a quarter, or $120m a year.

Some 40 per cent, or $532m of Crocker's problems are real estate-related, and Mr Cahouet says that there are signs of some pickup in this area. Another $467m, or a third of its problem loans, are overseas, and Argentina, where Crocker has $447m outstanding, is at the top of its problem list.

Mr Cahouet is confident that sooner or later Argentina will come right, though he admits that if the situation were to deteriorate in that country it would delay Crocker's recovery. "The resources are in the country, to make the plan work. The question is whether the resolve is there."

Moreover, he is conscious that however hard he works to clean up Crocker's Californian balance sheet, his bank has $2.7bn, or nearly twice its total primary capital, out on loan to heavily indebted Latin American countries. He has little direct control over what happens to Crocker's stake in these troubled countries. He has to hope that they will struggle through. Crocker has more to lose than many U.S. banks if they do not.

By contrast with the above, Crocker's well publicised problems in agriculture are far less threatening. "If you strip out three rather oddball transactions, our agricultural portfolio has stood up rather well," declares Mr Cahouet. California has the biggest farming industry in the U.S. and Crocker cannot affor dto ignore it. Its non-performing agricultural loans have halved over the last 12 months and at the end of March totalled $77m.

Even before Mr Cahouet came on board in March 1984, Crocker had been cutting costs and he has subsequently instigated two more cost-cutting exercises. "I would just as soon not have a third but I will do it if I have to." He is very aware that the group's quarterly running costs (aside from interest) of around $190m are eating up more than four-fifths of its total revenues before provisions.

Cost trough

Crocker is in danger of being caught in a "cost trough." The more it cuts its overheads, the more difficult it is to generate new business to push through its network. It has already pruned its branch network and Mr Cahouet is reluctant to cut it any more. He sees the bank's Californian branch network as one of its most important assets. Some 60 per cent of Crocker's loans are funded from its core deposits, which are mostly gathered by its 300-plus branches.

Mr Cahouet stresses that while Crocker has certainly taken a pounding in the short-term because of its performance, the bank has been able to hang on to its market share and core deposits. Rival bankers say that Crocker is far less aggressive than before. Mr Roy Hartmann, a vice-chairman of Security Pacific who heads the group's Californian banking operations, says he would not count "Crocker out of the ring, but they are not out there punching."

Mr Cahouet, however, is confident that he has reversed the bank's decline and he warns against putting too much significance on short term profitability. "I ame seeing things now that are coming together which are not necessarily translated into numbers. What I see going on in the 'backroom is entirely different from what I saw a year ago."

The organisational structure of the bank is clearer and people have a better understanding of what has to be done. The bank has completely restructured its credit functions over the last year and with the departure of Mr David Brooks lst month, Crocker has a completely new senior executive team.

Full recovery

The two remaining vice-chairman, Mr Jeffrey Morby, 47, and Mr Dick Rosenberg, 54, have both joined the group since last summer, while [illegible] the senior vice-chairman, can be expected to return to the UK when he is convinced Crocwker is well on the way to full recovery. In addition, close to half of the senior executives on the next rung down the bank are fairly new, so there is no shortage of new blood to help Mr Cahouet.

Mr Cahouet is not the sort of man to promise fireworks. He was renowned at Security Pacific for assembling a good management team around him and giving them enough elbow room to "enable them to do a good job." He is doing the same at Crocker.

Despite the bank's recent credit quality problems, he believes that tidying up the credit process is relatively simple. It is the marketing strategy which will take the real effort over the long term. This is the area to which he is now beginning to turn his attention as Crocker's loan problems subside. If Crocker can focus on the right segments of the market, Mr Cahouet is confident that relatively few problem credits will slip through Crocker's much toughened credit vetting procedures.

There have been so many nasty surprises already that Crocker's management is reluctant to say that there are no more in the cupboard. All Mr Cahouet will say is that "five years from now it will look like Midland Bank bought out the Crocker minority at just the rigth time ad has a super investment."

MANAGEMENT : Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

SUDDENLY American multinational ad agencies are in a spot of bother. Others call it a management crisis. The last six months have seen something of an exodus of senior managers—Brits, as it happens—out of multinational agencies—all U.S. as it happens. The exception was Tim Bell who quit Saatchis.

Ted Bates London lost its chairman Winston Fletcher to Delaney & Delaney, a small creative consultancy in Covent Garden. McCann-Erickson lost its chairman Alban Lloyd to head the Saatchi machine in Europe. At Young & Rubicam, the chairman and creative director walked out to run their own shop. Leo Burnett is still chairmanless after Dennis Barham's departure. And others are known to be in a state of flux.

Coincidence, perhaps. But there is a common thread underlying this current drift of talent.

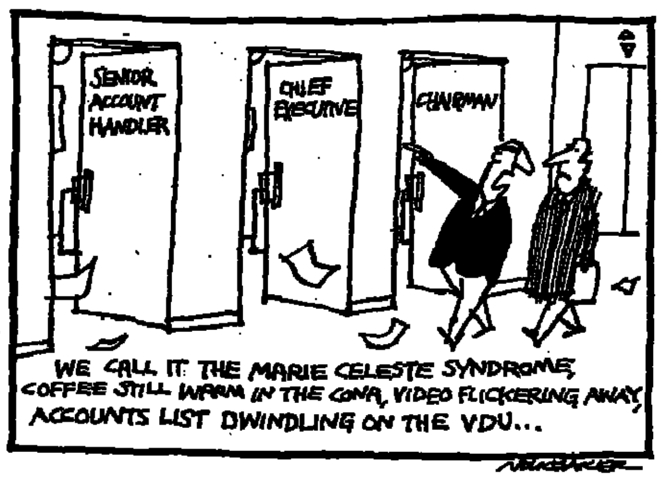
"Five years ago everyone was asking where would all the creative directors come from," says Winston Fletcher. "Now it's where are all the chief executives to come from?"

Reasons for the disenchantment vary. But global organisations that regard outlying offices as messengers for handling centralist policies do little to bind the entrepreneurial talents of admen who like to be at the sharp end of the business. This is particularly so when they find themselves accountable to

Multinationals

Disenchantment takes its toll

Feona McEwan on the background to the drain in senior management among certain agencies



masters unfamiliar with the UK scene and who see them as primarily profit rather than creative centres (a demand that has got tougher with the frail pound).

The argument is a well-rehearsed one. The difference today is that as the flourishing home-grown young shops (including the 15-year-old Saatchi) have shown, they can now do something about it.

This is not to say that the reign of the U.S. multinational is coming to a close or even faltering— indeed the ascending Ogilvy & Mather and J. Walter Thompson prove otherwise — but the issue does highlight what must be a growing concern in the U.S. — how to keep wholly-owned subsidiaries sweet . . . .

Elsewhere, at the London offices of D'Arcy MacManus Masius and Leo Burnett's, the trouble is magnified with each suffering a bewildering body-blow of lost accounts, many of them major clients.

Amidst speculation on both sides of the Atlantic that its New York parent is seeking a merger, Masius (London), is undergoing a major management reshuffle in a bid to staunch the flow of escaping business. According to Media Expenditure and Analysis (MEAL) figures, the agency stands to lose £17m at least, a hefty slice of its total billings of over £100m. Those leaving include Danish Bacon, Lurpak, Whitworths, McDonalds, DFDS shipping company, Lowenbrau, Beecham (Ribena) Mars (Marathon and Topic). The word in New York is that the current favourite suitor is Benton & Bowles with NW Ayer looking, for the moment, less likely. "No comment" is all DMM New York will say at this stage. In London, the management has been unhappy for some time, according to one who got away, with "some very nasty politics at the worldwide level."

Burnett's London no longer holds Marlboro, Nestle, and Austin Rover and Cadbury's Creme Eggs account is under review.

Behind much of the current drift is the fact that options for ambitious UK admen have never been greener. "It's well known," says Fletcher, "that UK-owned agencies have been and continue to be successful and profitable in the market place." Saatchi, Boase Massimi, Wight Collins, Grandfield Rork Collins, Abbott Mead Vickers, Gold Greenless and others continually show how. "More responsibility is given by advertisers to their local managers and as a result major blue-chip business is being transferred to the new and autonomous UK-owned agencies which are growing fat on it," says another ex-chief.

No longer does the expansion trail lead straight to the U.S. links of old. Thanks to Saatchi's performance, the advent of the Unlisted Securities Market, and the rise of media independents, there's now the "public" alternative. This has its risks, of course, but many entrepreneurs prefer to be owner-managers with UK shareholders dictating the rules rather than American masters unsympathetic to the UK cause.

Another major factor is job satisfaction for senior UK managers. "When a company is U.S. owned and, quite understandably, U.S. owners tend to want things their way, that usually means UK managers feel put upon," says Fletcher diplomatically. "It's not uncommon in international organisations but particularly difficult I think, in advertising because people tend to be more individualistic. . . ."

Subsidiary agencies come under pressure from clients who insist that their global agencies adopt a uniform approach. "Yet," says one executive, "companies like General Foods and Nestle have a way of working which can lead not only to the local agency feeling uneasy with it, but sometimes the advertiser's local representative too."

Another beef is that more interest is shown too by U.S. parent agencies in their core of international clients, regardless of whether they are major or minor forces in the local office (i.e. major national client X with a budget of £4m will be seen as less important at U.S. head office than international client Y who, though minor in UK, is a worldwide account). If you take pride in the quality of your work then you don't want to differentiate that service. . . ."

O & M and JWT have held onto their Britishness and are perceived to have a local flavour—JWT by design many years ago and O & M by virtue of its Scottish founder. "At best we're seen as British, at worst international," says one senior executive. Both also have consistent stable management teams.

One of the difficulties that both sides fail to grasp is that perspectives are different from different sides of the Atlantic. "To the U.S., the UK is very small," says an ex-manager. "A multinational might have 70 offices around the world in 40-odd countries, the UK is just one. It's important, yes, but so is Australia, West Germany, South America. The amount of time devoted to London might be the time I might spend with a junior executive. . . ."

Some industry observers point to recent advertising awards as another symptom of the shifting emphasis. "Whatever the cynics might say about judging panels and who is on them, I think there is a correlation between agencies winning the prizes and those winning new business. New York is not getting the recognition here either."

Why Jeyes is diluting conditioners

JEYES IS making another move out of the bathroom. Best known for such products as Sanilav, a powdered lavatory cleaner which has in recent years felt the blast of competition from liquid cleaners, the company has this week launched SoSoft, a fabric conditioner it claims is 20 per cent cheaper than its rivals.

The launch forms part of what Jeyes calls a "refreshing" of its brand portfolio, a move designed to boost the profitability of the Thetford-based company, which is a subsidiary of Cadbury Schweppes. In the process 500 jobs have been lost, the number of brands has been halved—powdered Sanilav is included in the pruning—and in the last few years more than £2m has been invested in new plant.

SoSoft is an important part of the new product development programme. The claimed price advantage over such competitors as Comfort and Lenor is seen as crucial since, according to Jimmy Moir, sales and marketing director of Jeyes, "one of the major reasons people do not buy fabric conditioner is the price."

Packaged in a 150 ml soft pvc pack, the product is diluted by the consumer to make up a litre of conditioner ready for use by either hand or machine washing.

The product is manufactured in France by Lesur Cotelle and will be marketed and distributed by Jeyes, which has an option to manufacture if sales are successful. The instructions merely say the product should be diluted into a 1 litre bottle, preferably not a food and drink bottle. A cynic could suggest that a competitor's product container would be ideal.

"Sixty per cent of homes use a fabric conditioner. It's a market that has exploded in the last 10 years—rising in value from around £20m to £60m," says Moir. "But it is still not as big as that in Germany, for example, where some 400m litres are used every year. In comparison the UK market is 174m litres.

The launch will be backed by a £1.5m television campaign, door-to-door deliveries of 4m "10p off" coupons and 500,000 samples through the doors of households in the catchment areas of major multiples.

Lisa Wood

Foretelling the future of retailing

RALPH HALPERN probably has a better idea of what the future holds for retailing in the next decade than he does of the outcome in the next few weeks of Burton's bid for Debenhams.

Halpern, chairman of the Burton Group, has put together a specialist team of consultants, academics and other company chairmen to form a "Futures Unit" to tell him what changes are likely to take place in British retailing in the years ahead — and what Burton should do to take advantage of them.

It was this group's reading of future trends that indirectly led to Halpern launching his £475m bid for Debenhams. "We identified the concept that people wanted family stores with a variety of options open to them—which is what we plan to do with Debenhams," says Halpern.

Burton's reading of the future for Debenhams is not actually too dissimilar from that foreseen by his opponent, Bob Thornton, Debenham's chairman. He, too, has been developing specialist options for consumers, mainly by bringing in outside concessions to rent space within stores.

Halpern, however, describes this as "haphazard proliferation" which is "confusing for the customer." His approach aims for an element of style—provided by Sir Terence Conran—to distinguish it from the Debenhams approach.

"Traditionally we have concentrated our research into demographics—changes in population, education, marriage, incomes, social groupings, and so forth," explains Halpern. "Now we have to go a stage further and understand what customers think and feel."

Halpern has coined a word for this — psychographics — which deals with the aspirations of consumers. "They are becoming more choosey about where and how they spend their money and time."

Halpern has been fond of using market research and forecasting ever since the late 1970s when he began his revamp of the moribund Burton retail operations. He identified the trend among young men to dress smartly but casually at work and play, thus blurring the old distinctions in men's wear retailing which emphasised suits for work and casual wear for leisure. It was a trend that was to revolutionise Burton's fortunes and establish Halpern as a retail guru of the 1980s.

But the problem with employing outside consultants and market forecasters is that they each tended to have different opinions. "We wanted to get together a consensus view about what was happening, what was likely to happen, and what influence our group could have," he says.

Thus, early last year Halpern set up his Futures Unit to filter through all the information about what was happening in retailing. "There is no doubt that the pace of change is increasing and the behaviour of large groups of people is becoming more difficult — and more important—to predict," explains Paul Williams, chairman of the Unit, who has assisted Halpern with market forecasting since the late 1970s.

The Unit has 11 members, including a sociology lecturer from the Open University, a reader in anthropology from the London School of Economics, and a couple of marketing consultants. These, together with a couple of senior Burton marketing executives, comprise the core of the Unit which meets twice a week.

In addition, the Unit is joined every few weeks by company chairmen including Rodney Fitch of the Fitch and Co design group, Tony Good of the Good Relations public relations consultancy, and Edward Whitefield, of the Management Horizons retail research group.

Halpern himself joins in on these occasions.

The Unit provides different levels of information. It gives a broad overview of lifestyle and retail environment changes as well as specific responses to problems posed by Burton executives — what would be the implications of franchising some parts of the group, for example?

"The idea is that the Unit should help with — but not supplant—the decision making processes," adds Halpern. "Retail managers have a habit of relying in part on hunches based on past experience. But we need a more structured approach when change is moving so fast and have to weigh up a number of variables."

The Debenhams bid was a clear short-term consequence of this type of thinking—an acquisition that fitted into Burton's view of changing shopping habits.

But the longer term scenarios are more difficult to get right. "Of course the future is constantly changing and Burton itself has an influence on what is happening," admits Williams. "That's why we have constantly to up-date our analysis of future trends."


Ralph Halpern: reading trends

One such trend identified by the Unit has been described as "localism." This is the large scale movement of a predominantly affluent population from big towns and cities to small towns and rural areas. In addition, it also refers to the inclination of people to identify with their local area and to give it a greater personal value than non-local centres and urban areas.

The Unit reported that this localist trend is well-established but little understood by retailers. It pointed out, for example, that rapid growth is occurring in these areas which the national multiple retail chains have traditionally avoided.

Up-market retailers, however, are disproportionately located in small to medium-sized "localist" towns and areas while the traditional High Street increasingly accommodates high-volume, low-cost retailing.

The Unit concluded that the Burton Group's continued organic development might take it away from such major growth sectors. It believes that national retailers can benefit from the growth of small towns and satellite retail centres—but need to change their trading philosophy

For Burton in particular this could mean creating specially designed retail chains to exploit these trends, or changing the marketing approach of existing retail operations within the group.

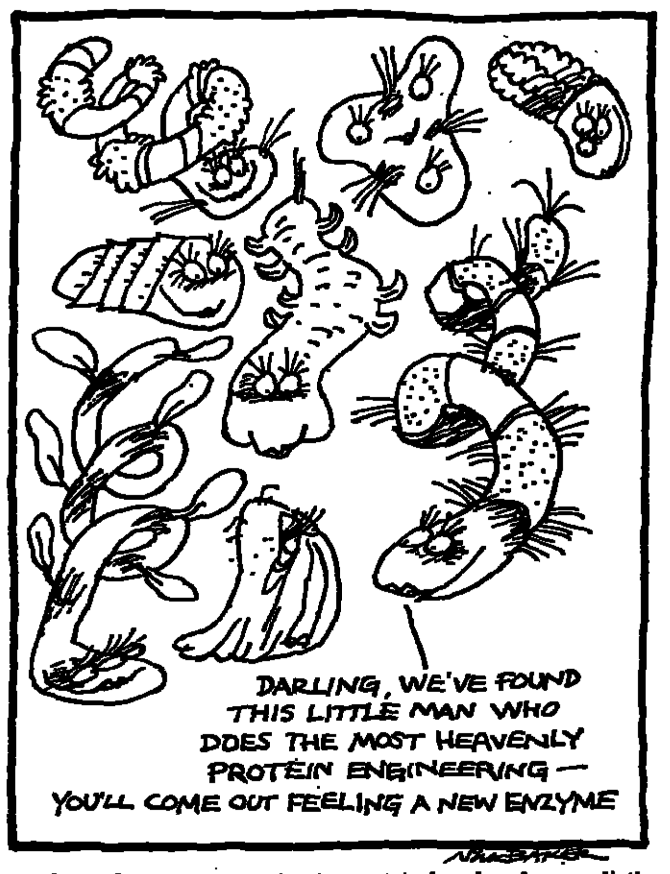
David Churchill

TECHNOLOGY

EDITED BY ALAN CANE

How designer proteins will help to fashion the future

Enzyme engineering has great commercial potential, reports Stephanie Yanchinski



A TINY SPECK of bacteria may not be everybody's idea of the way to get a whiter wash. But scientists at the American Biotechnology company Genentech recently revealed their successful use of the futuristic technique of protein engineering in bacterial to produce an improved version of an enzyme widely used in detergents.

Their success coincides with the launch of an initiative by four British companies and the UK Science and Engineering Research Council (SERC) in protein engineering yesterday. ICI, Glaxo, Celltech, and Rio Tinto Zinc Chemicals/Sturge backed a new collaborative research programme sponsored by SERC's biotechnology directorate. This will involve universities in London, Bristol, Oxford, Leeds, and Sheffield.

The research groups will spend £2m over the next four years on protein engineering, with £1.5m coming from SERC. In exchange for their nancial participation, the companies share a hot line to some of Britain's best research in protein engineering.

SERC's Dr Doug Yarrow, who pulled the programme together over the past two years, says: "The four companies have been of tremendous help in the development of the programme. ut we have been disappointed that more UK companies have not been equally far-sighted. This is only the first phase. We want to encourage further industrial participation in order to enhance the programme over the next few months."

Protein engineering is the latest of the genetic engineering techniques to emerge, and it could have a powerful impact on biotechnology.

Conventional genetic engineering involves transferring whole genes isolated from one organism to another, usually a tiny microscopic bacterium or yeast. These tiny "hosts" become miniature factories for manufacturing these foreign proteins.

Protein engineering goes even further. It attempts to mimic nature, by artificially introducing minute alterations into the genes before inserting them into the hosts. In nature, ultraviolet light or chemicals are the cause of such genetic mutations, but in the laboratory scientists use a genetic engineering technique called "site directed mutagenesis."

Enzymes play a vital role in the metabolism of the human body, and other proteins form the structural components of many tissues. So it is no wonder that the eminent molecular biologist Dr Sydney Brenner said only half jokingly that with protein engineering "we are on the way to making the first Martian."

However, the aim of most scientists is to fashion new proteins not found in nature, and better suited to industrial processing. Enzymes work best at mild temperatures and acidity. But they would be vastly more useful as industrial catalysts, or in pharmaceutical production if they could function at higher temperatures and acidity, and stand up to harsh chemicals.

Genentech used site directed mutagenesis to produce a new version of the detergent enzyme subtilisin. A change in just one of three hundred amino acids produced a subtilisin almost five times more resistant to hydrogen peroxide.

A resistant subtilisin could be particularly useful as a biological cleaning agent, for its action could be boosted by adding a stronger bleach.

Genentech has also improved a common cheese-processing enzyme, using protein engineering. Lysosyme prevents "late blowing" in cheese by attacking the chlostridium bacteria which make holes and spoil the cheese. Dr Jonathan McWhittie, director of commercial development at Genencor, a joint subsidiary of Genentech and Corning Glass, says protein engineering offers much bigger opportunities than genetic engineering ever could. There is a mind-boggling array of enzymes to choose from, considering all the rearrangements made possible through protein engineering.

However, fashioning designer proteins is much more complicated. It involves knowing intimately the structure of a protein, and precisely which of the hundreds of amino acids control its activity. Particularly important is the protein's tertiary structure—the three dimensional array of a protein's atoms in space.

Little is known about protein structure and activity, and studies involve laborious X-ray crystalography on pure protein crystals which are often difficult to grow. Even Genentech largely achieved its success through trial and error.

So one of the targets of the British programme is to evolve a set of rules for redesigning proteins. Over a quarter of the biotechnology directorate's new programme involves fundamental studies on protein folding. Doug Yarrow says: "Here was an area of high commercial potential which still needed further work on the fundamentals."

And Dr Robert Freedman, a lecturer at Kent, and the programme's manager, says: "Simply knowing the structure of a protein will not necessarily make it easy to design new ones. We need to study well known models, and build up a set of empirical rules for predicting the effects of any particular change."

Eventually the multidisciplinary team of biochemists, crystalographers, molecular biologists and computer graphics specialists will apply these rules to redesigning enzymes that are commercially interesting, including those involved in production of antibiotics and the manufacture of sweetners, as well as subtilisin, where already a lot of work has been done.

Protein engineering is no longer a laboratory curiosity, but a vitally important tool in genetic engineering.

Dr Alan Williamson, director of research at Glaxo's Greenford Laboratories, denies that Britain is acting too little, too late. But he says: "It would have been nice to see more companies involved. It was a shame that no computer companies saw fit to come in. There is obviously a good market for their wares."

He says the group needs to expand immediately in order to produce people with experience to give British industry the support it needs.

Shoe plant tunes into greater efficiency

A COMBINATION of hot air and high-frequency radio waves is the secret behind a big increase in efficiency at a Somerset leatherboard factory.

Leatherboard is used chiefly for making insoles for shoes. It is made from scrap leather which is pulped, mixed with a latex binder and water, and pressed into flat sheets on a web.

The next stage is drying and that is where the problems arise.

Conventionally, this is done with hot air from a fuel-fired drier.

But the leatherboard must be dried at no more than 90 deg C otherwise the surface of the leather becomes scorched while the inside stays wet.

Collaboration between the factory, Avalon Leatherhead of Street, the Electricity Council, and drying machine manufacturer Greenbank Darwen Engineering, resulted in a hybrid solution—a combined hot air/radio frequency drier capable of working at 200 deg C without fear of what the trade calls "cockled and crinkled" leatherboard—that is corrugated and distorted through uneven drying.

The high energy radio frequency waves penetrate the fabric, exciting the water molecules and bringing them to the surface—in effect producing a surface that is continually wet. The surface can then be dried with a stream of high temperature air without fear of damaging the leatherboard. The technique has enabled the factory to do the drying three times as fast.

Daisy enters race to bring CAD to the electronics industry

BY GEOFFREY CHARLISH

SCREEN-BASED design activities associated with conceiving, designing, simulating, laying out and manufacturing printed circuit boards are gradually being drawn together into single systems.

Latest of these is Boardmaster. It is offered by Daisy Systems, which is running neck and neck with two other Californian companies, Mentor Graphics and Valid Logic Systems, in the race to supply computer-aided design and engineering systems to the electronics industry.

Daisy believes that by closer integration of engineering and physical layout processes, Boardmaster will provide shorter design cycles and the opportunity to bring products to market more quickly.

The complexity of modern multilayer boards prevents them from being designed manually—the task would take far too long. Instead, the designer uses sophisticated software to create the designs in colour on the screen, place the components in the best position, and route the connections between them as efficiently as possible.

Boardmaster performs engineering and layout functions that include schematic entry (the designer's basic sketch), logic simulation (to show if the idea will work from the computing point of view), timing verification, automatic placing of the electronic components and the route of connections. It will, in addition, provide outputs to drive production machinery like photoplotters and numerically controlled drilling machines.

The layout data can also be sent to automatic test equipment to help in the compiling of test programs, and to insertion machines—the fast, robotic units that pick up components and press their legs through the right holes in the board.

In laying out the board, the software does not work to the conventional regular grid of spacings (0.1 or 0.05 inch) but varies it to suit the particular area of the board it is working on. More efficient use of the space results.

In some further clever software, Boardmaster automatically extracts the electrical logic elements from the schematic and allocates them to integrated circuits derived from a parts library in the computer. What is more, the components are selected so as to minimise the total number of parts.

A single user Boardmaster costs $110,000 and a two user system, model D, sells for $140,000 without the simulation software. More on 0256 464061.

Measuring the rough with the smooth

A COMBINATION of optics and electronics has been used by Rodenstock in West Germany to develop an instrument that will measure the roughness of the surface of materials without contact—and while they are on the move.

This kind of measuring will become increasingly important as companies apply more computer controlled automation to engineering production, for example. There will simply not be time for inspectors to apply surface finish gauges and record results.

The technique is based on the scattering of infra-red light by the irregularities of the surface. The light comes back to an optical receiver at various angles that are related to the roughness.

By feeding measurements of intensity and angle of the reflections to a microcomputer, a figure for roughness can be calculated. Then the answers can be printed out or fed to a quality control statistical computer.

In addition, "go" and "no go" lights on the instrument's panel can be set to respond to limits of roughness so that offending items can be removed from the line.

Tesa Metrology of Telford (0952 581923) has the UK marketing rights. The company expects applications in the electronics industry and where paper and other web materials are made, as well as in metal cutting.

U.S. robot sales jump by 71%

U.S. industrial robot suppliers increased sales by 71 per cent in value in 1984, according to the Michigan-based Robotic Industries Association.

The industry sold 5,136 robots worth $332.5m in 1984, a jump on the previous year of 68 per cent in volume.

The number of robots in use in U.S. factories reached 14,550 by the end of the year, up 55 per cent on 1983 and 130 per cent on 1982. The largest robots users are companies that make cars, home appliances and electronic and aerospace components.

Computers aid Rolls' styling

INTERGRAPH, one of the top five computer-aided design companies, has installed a system at Rolls Royce Motors in Crewe.

Worth over £250,000, the system will allow engineers, armed with screen and keyboard, to style body shapes using software that produces the contoured surfaces of the car. The result is a model on the screen which approximates to a coloured photograph of the real car.

The system will also be used to design operational components and, using other software, analyse their mechanical performance.

Later, the equipment is likely to be used to design electrical wiring systems—already the case at Porsche and Volkswagen where similar Intergraph systems are in action.

Plotter praised

A COMPUTER plotter made by Penman Products of Worthing, Sussex, has won an accolade as computer peripheral of the year, presented as part of the British Microcomputing Awards.

The £249 device can be used with various computers and converts digital signals to drawings on paper.

THE ARTS

Lost Empires/Birmingham Rep

Michael Coveney

In his 1965 novel, J. B. Priestley evoked the days of the music hall on the Moss Empires touring circuit before the First War through the story of his friend Richard Herncastle. Herncastle was a Yorkshire water colour painter who had assisted his uncle, Nick Ollanton, in an Oriental illusionist act at all the Empires from Newcastle and Glasgow to Holborn and Finsbury Park. Towards the end of 1914 he responded to Kitchener's call and left the theatre for good.

Priestley wrote much of himself into the figure of Herncastle and Bill Pryde's production, presented in association with the Cambridge Theatre Company, defines the lad as an aspirant writer. The book and lyrics are by Keith Waterhouse and Willis Hall, the music by Denis King.

As an exercise in the theatrical theatre it will not stand much comparison with Anouilh or Molnar. As a lament for variety it succeeds only in making you wonder why on earth the genre took so long to roll over and die.

This is an embarrassingly feeble evening which does faint justice to what is, in fact, a rather good and sinister novel, blacker and denser than Priestley's concert party elegy *The Good Companions* (another source of a poor British musical with a score by André Previn), and particularly gripping when Ollanton's "Ganga Dun" routine invades the real world by smuggling first a pilloried suffragette and then a murderous dwarf (who had been mercilessly teased by his victim) to safety.

Waterhouse and Hall concentrate merely on the backstage life with the empires indistinguishable from each other and Antonia Pemberton switching accents as the perennial landlady. Each time Herncastle turns up to a band call, a woman throws herself at him, although Peter Ledbury's mild-mannered chap does not correspond to Priestley's strapping idealised vision of himself. Competing for his affections are his uncle's female assistant Cissie Mapes (Paddy Nevin), the ruined actress Julie Blane (a curiously damp and disappointing performance by Angela Richards in what should have been a marvellous role) and, of course, his one true love Nancy Ellis (Julia Chambers).

Flying proscenium arches and a rapid revolve are used by designer Poppy Mitchell to create a hint of this vanished world and there is the odd deft touch of staging, as when Tommy Beamish's "Quite the Gentleman" routine, delivered facing upstage to an imaginary audience, is counterpointed with the grim reality of how the raddled old comedian treats Julie Blane.

As Beamish, Peter Adamson nimbly suggests an eccentric dance routine that disintegrates offstage into a drunken lurch. Alongside him, vying for Archie Rice comparisons, is Leslie Randall as Burrard, the persecuted comedian who dies the death at the Glasgow first house on a Monday night and then shoots himself. This fine cameo is somewhat spoilt by Mr Randall's second act caricature of a Jewish agent that is as unfunny as it is offensive.

Brian Rawlinson, granite-faced and bullet-headed, performs one or two good tricks culminating in the "Dissolving Ghost" routine so rudely interrupted by the Sarajevo assassination. I am not sure that it would have been wise to dwell on the brutality of Herncastle's various sexual experiences, but without them we have only a distinctly cold collation of backstage lore and custom with a few funny turns.

Lost Empires is in sore need of stuffing before it arrives at the Old Vic in September.

It plays at Birmingham until July 13 and moves, before London, to Cambridge.


Kevin Quarmby and Ron Emslie in "Lost Empires"

The Archers/Watermill

Martin Hoyle

What football violence does for some, *The Archers* does for others. This everyday story of petty bourgeois on the make has, via BBC Radio, enshrined all that is least lovable in the British character for more than 30 years: greed, envy, complacency, acquisitiveness, snobbery, parochialism, unaffectionate nosiness and an irrascible *Schadenfreude* — all recorded with apparent approval by the doyen of broadcasting systems and received with attitudes that range from high camp incredulity to the repelled fascination of a rabbit hypnotised by one of Eddie Grundy's ferrets. But mainly, and overwhelmingly, with enthusiasm.

The saving grace of the Archers is their total unreality. Stereotypes and cardboard cut-outs mouth platitudes occasionally laced with Central Office of Information-type tips that reflect official thinking on the practicalities of how we live now, all to over-explanatory sound effects. The new stage version of life in Ambridge devotes its second half to a variety show staged by the locals in aid of the play group in the village hall; and there are uneasy moments when the old jokes inherent in this comic situation steer perilously close to accuracy as a modestly-talented cast murder Noel Coward or perform "Won't you Charleston with me?" without actually managing a Charleston step.

The thin dramatic threads are initially spun in the charming Watermill's little auditorium disguised as a village hall, complete with notice-board and wilting flowers. Ne'erdowell Eddie owes money; Phil Archer has been bitten by a pregnant pig; rich youngish Brian Aldridge—an Archer by marriage—has had his bullocks pinched; silly ass Nigel woos flighty Elizabeth; and the nouveau Brum-accented Jack Wooley has lost his dog. In time the audience troops up a lane to a farmyard where an unconscious Joe Grundy—here looking younger than his putative son—is pinned under some bales; and adjourns to the Village Fête where only the consumption of a Mister Snowy special bought from Nigel saved your correspondent from being coerced into dancing round a maypole.

The chief interest of the evening lies in seeing the corporeal displacement of each well-loved voice; for the cast is that of the radio series, visually suitable or not. Norman Painting's puffing little bantam and Patricia Green's otherwise excellently bossy Jill are unexpectedly mature as parents of Alison Dowling's pert Elizabeth; and Fiona Mathieson's Clarrie Grundy has none of the lumbering physicality we are led to expect over the air-waves.

Conversely, David Parfitt's Nigel looks much younger than his character, although he comes as near to bouncily stealing the show on stage as he does on Radio 4. Alan Devereux's chirpy publicans Sid Perks, has inexplicably little to do; and Norman Jones looks throughly unhappy and sounds none too certain as Jack Woolley.

The whole slight diversion will mean nothing to non-*Archers* fans who are well catered for at the fête where they can join the Eddie Grundy Fan Club, buy tee-shirts and records or, digressing in the spirit of commerce, a comic novel about soap operas by producer and script-supervisor William Smethurst. Mr Smethurst is a product of that hot-bed of Workers Revolutionary Party politics, Lancaster University, which confirms my suspicion that *The Archers'* odiousness is aimed at undermining middle-class values. In which case it's failing.

Zukerman & Neikrug/Festival Hall

Max Loppert

The recital that Pinchas Zukerman and Marc Neikrug gave at the Festival Hall on Tuesday was an episode in the current Previn-RPO Music Festival—Mr Zukerman is one of the performers in festival residence.

After a period of over-exposure (as it seemed to some of us) in London's musical schedules, the violinist now appears here rather more infrequently. The concert brought a welcome reminder of how good he is at his best: all evening, the playing was remarkable for its accuracy of intonation, its cleanness of line, its directness of style, and its burnished purity of tone production.

Mr Zukerman is not one of those violinists who by sheer breadth of imaginative perception recreates afresh the music he is playing. Two Beethoven sonatas made up the first half—the G major, Op. 30 No. 3, and the Kreutzer. After a few moments of settling-in had passed, the violin line maintained in the first and airy fleetness of articulation that was a pleasure in itself; and throughout the most taxing episodes of the second, his control was never subject to fluster or forcing. But the extra degrees of insight that a Beethoven violinist can convey—by special suppleness or sweetness of phrasing, by subtle distinctions of dynamic range — were missing: one enjoyed the finesse of the execution without being drawn anew into the adventure of the music.

Perhaps in a smaller hall those extras might become more naturally available. Perhaps, also, Mr Zukerman really needs a more colourful, expansive kind of piano partner than the painstaking but rather dry Neikrug.

After the interval the pair gave the first European performance of Lutoslawski's *Partita*—a characteristically elegant and even somewhat "classical" working-up of a handful of tiny motifs that evinces a Haydn-like pleasure in employing bravura to achieve the unexpected.

The games that in the finale Lutoslawski plays with the placing of *moto perpetuo* outbursts are as witty as they are expertly timed; it is a work shaped to the positive qualities of these two performers. Prokofiev's own reworking of his late flute sonata also showed them in best light: quick-spirited, sharp-edged, sweetly lyrical, and very sure.

Frederic Rzewski/Almeida Festival

David Murray

The composer-pianist Rzewski is a mercurial chap, and even if I am right in judging the most recent music in Tuesday's Rzewski concert to be thin, limp stuff, he may start on a quite different track tomorrow. He is certainly a pianist of notable character, resource and dispatch; and in this concert he was joined in two works by the equally redoubtable Yvar Mikhashoff (who has devised a large part of the festival). We had also string quartet (the Arditti), trombone, narratrix and tuned flower-pots (dominant 7th chord in the 3rd inversion).

The oldest work here was the 1978 *Squares* for solo piano, four pieces that bubble with eclectic ideas. Teasing echoes from most of the piano repertoire crop up; I had about decided that the main poles of Rzewski's pianism are Bartók's "From the Diary of a Fly" and Ravel's "Scarbo" when I thought of Villa-Lobos, closer to home — same athletic exuberance, prolific invention and cheerful larceny. The pieces have their own neat ground-plans, but it is a moot point whether they carry the neon-lit superstructures or *vice versa*.

Winnsboro Cotton Mill Blues, moderately famous already in its solo version, has an electric drive on two pianos. It is not dampened by the fact that Lutoslawski's *Paganini Variations* of 40 years ago make similar effects more concisely; and by this time Rzewski was staking out his own line in left-liberal, pro-ethnic effusion.

The flower-pot piece, *To the Earth*, required the percussionist Jan Williams to tap unambitiously while reciting the archaic Greek Hymn to Demeter with meaningful sincerity. *A Machine*, for two pianos, gave us *faux naïf* philosophy uttered over percussive repeated chords in arithmetical expansion and contraction, with a later arpeggiated break for colour and a final flourish or two.

There were similar chords and a similar hortatory tone in *Mayakovsky*, with another spoken text and wistful chord-sequences and cadenzas for strings, and in *Ode to the Invincible Persian Army*—heavy irony there—with declaimed Aeschylus and a *patetico* trombone. The misguided shade of late, well-meaning populist Cornelius Cardew hovered. Rzewski, of all people, should be able to be musically articulate *and* populist.

Eurovision Dance Contest

Freda Pitt

The Teatro Municipale Romolo Valli at Reggio Emilia, one of Italy's loveliest theatres (in a land of lovely theatres), gives great importance to dance in its programmes, so it was fitting that it should play host to the finals of the Eurovision Contest for young dancers on June 16.

While in France and England the couples taking part were sent by their respective companies (the Paris Opéra and the Royal Ballet), in Italy there had been preliminary heats. However, none of the several admirable young Italian dancers had entered for the competition, so Italy cut a poor figure on international television screens, the "home" runner being by far the weakest.

Peter Schaufuss, chairman of the judges, used to be a frequent visitor to Reggio Emilia before his duties as director of London Festival Ballet obliged him to reduce his commitments abroad. The other (eight) judges, most of them distinguished, represented France, Italy, Switzerland, Holland, Denmark and Spain—perhaps Schaufuss was considered an honorary Englishman for the occasion.

No one can have competed for the sake of the prizes, which were barely more than nominal, and it's unlikely that this competition will ever rival Varna, Moscow, Tokyo or Jackson in importance. On the other hand, it gives finalists the chance to be seen on television in several countries simultaneously, an opportunity none of the more famous contests can offer. In European Music Year and Youth Year, it is a positive feature for a competition not to be too divisive.

None of the dancers from well-known companies (the Dutch National Ballet as well as the Paris Opera and Royal) received an award, the first prize—a popular choice—going to the blonde, spunky 14-year-old Spanish entrant, Aranzazu Arguëlles, who danced two classical variations with notable brio. She received the award from Carla Fracci, who was to have compered the evening for Italian viewers, with Gheorghe Iancu.

All the entries were basically classical, even when they had modern trimmings, such as the two excerpts choreographed by John Neumeier; the most modern-seeming piece, to an electronic accompaniment, was made to measure for its performer, 21-year-old Norwegian Arne Fagerholt, whose second place was well deserved.

The third prize went to the Swedish pair, whose flamboyant *Corsaire* pas de deux closed the competitors' contributions. Göran Svalberg's father is the director of the school of the Royal Swedish Ballet; his son's bravura performance spoke well for the teaching.

Maria Almeida and Errol Pickford, the British representatives—who acquitted themselves stylishly in the *Bluebird* pas de deux—were accompanied by Monica Mason, and the French pair (Christine Landault and Stéphane Elizabé) by Eugene Poliakov, the Opera's ballet-master, his colleague as ballet mistress, Claire Motte, being one of the judges.

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A Gallery diary

William Packer

With no sign yet of any seasonal slackening to a holiday pace, here are a few notes on some of the shows I have seen in the past two weeks.

Richard Long — at Anthony d'Offay, Dering Street, W1, until June 29 — is not showing his more obviously substantial floor works this time, his lines and circles of wood or stone, nor the mud imprint circles upon the wall that have lately concerned him, though two are installed as extras in the back room. Instead there are photographic pieces that are both record and imaginative embodiment of his recent interventions in the landscape, most of them made on a walk he took through the high wilderness of the Zanskar Mountains of Ladakh in northern India.

The major piece consists of nine panels, each a single view along a section of his path that Long had cleared to make it all the more visible and significant an entity in itself. He is also showing some Texts that fix the imagination upon sensations and experience in the landscape, allusive, poetic and oddly very visual, if only in the mind's eye.

John Craxton—at Christopher Hull, Motcomb Street, SW1, until July 6—shows by his new drawings and paintings how mistaken it is to write off an artist, who once enjoyed a youthful reputation, simply because he has been out of the swim too long and seldom shown. Craxton lives on Crete, and the landscape and people of the island supply his imagery: young men in cafe and taverna, goats on the mountainside, the fish on the table and the woman in the garden.

His facility is for decoration, sound and sometimes even monumental in construction but still decoration; but the work here suggests with some force that a looser, more intuitive painterliness is returning to the work and with it a more powerful and personal quality of statement. The portrait of the young soldier, leaning forward across the back of his chair, is a major and rather beautiful work.

Derek Boshier—at Edward Totah, Old Burlington Street, W1, until June 29—is another painter who, fallen rather out of sight (he now teaches in the University of Houston), makes a welcome return. He has always been acutely alive, perhaps too alive, to the shifts and currents in contemporary art, and in a way it comes as no surprise that he should now embrace and master the idiom of the new figurative expressionism. But what must be recognised is that by doing so he has in fact returned to himself, closer now in spirit, both in handling and imagery, to the work by which he first made his name more than 20 years ago, fresh from the Royal College and a prince of Pop Art; *plus ça change* . . . still as lively and impressive, and very good.

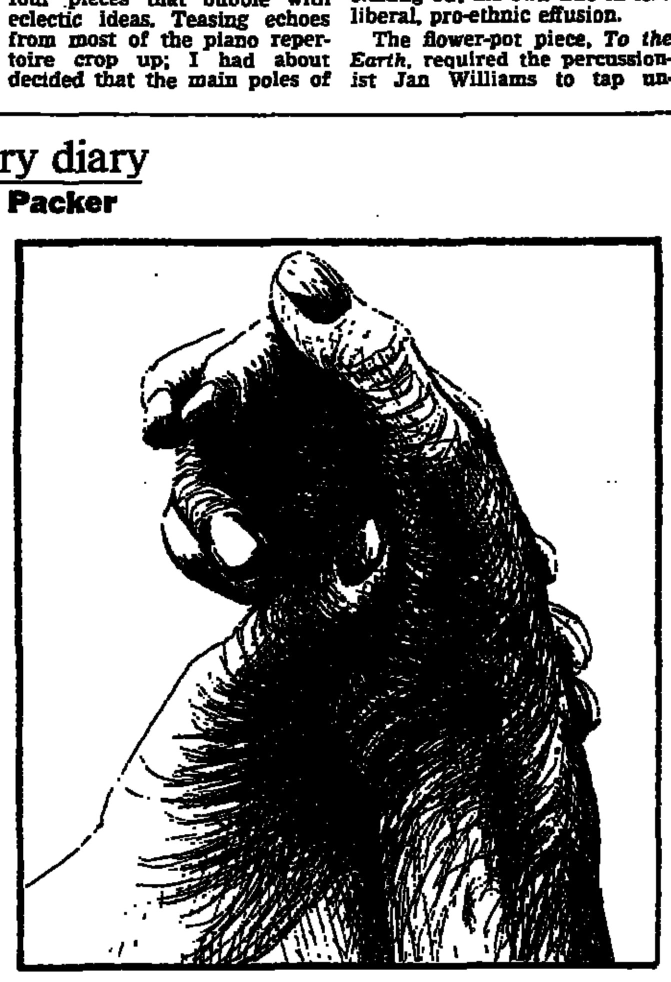
"Hands"—at Anne Berthoud, Clifford Street W1, until July 27—is self-explanatory, a thematic anthology of drawing, small painting and sculpture by a score or so of modern artists, the gallery's own mixed in with distinguished visitors such as Henry Moore, Barbara Hepworth and Graham Sutherland. It is the kind of quiet show that has much to offer; I particularly liked Leonard McComb's musician, Maggi Hambling's small studies and Stephen McKenna's gentle surrealism in his crayon drawings of hands that are fragments carved in stone. Best of all are Victor Newsome's straight-forward academic drawings, academic in the best sense of study and acknowledged tradition, and yet so spirited and alive in execution.

Alfred Whitely—at Odette Gilbert, Cork Street, W1, until July 5—is a painter whose star has not so much come round again as only just risen. After the Royal College in the fifties, he went into full-time teaching in a grammar school from which he retired only two years ago; but he kept at his own work nevertheless and is now showing something of the product of the last 10 years.

It comes in two distinct phases, the earlier work characterised by a kind of modified cubism that looks both to early Leger and, in its poetical symbolism especially, to the young Chagall. The later work is not so complex in form and structure, nor so active in mood, a quieter, more thorough-going symbolism, the nude in the drawing room set about with fruit and hats and shoes, the artist in his studio, an idyllic summer landscape through the window.

Carol Ann Sutherland—at the Mercury Gallery, Cork Street W1, until July 6—is a young Scottish painter enjoying already her second extremely successful exhibition in London. The work is immediately engaging, very lively and full of charm; but these honourable and positive qualities do now begin to leave us looking for something more substantial in the work, if only to a degree. She handles her material with great freedom and graphic assurance, and her whimsicality and quirky wit should still be great strengths if she allows herself the confidence and time for the serious development of her ideas beyond what at the moment is very close to unambitious illustration. Her ships and islands and coastal caprices even so are attractive, her "Young Ship Leaving a Safe Harbour" more prescient an image than she suspects.

And last, a note on an exhibition that I hope to give a fuller coverage: English Caricature from 1620 to the Present—at the V&A until September 1—is a truncated version of a show that has been to Canada and the U.S. Hogarth, Rowlandson and Gillray, inheritors and transformers of an established tradition, are of course the creative heroes; and Gillray in particular stands out as one of our very greatest draughtsmen, by any standard. But the tradition lives on, and much pleasure is to be had in the work of our contemporaries. Pont, who died too soon, is wonderful, and Ronald Searle quite simply the best humorous draughtsman of our time.


© The Henry Moore Foundation
Henry Moore's "The Artist's Hand IV" at the Anne Berthoud Gallery

'Callas' in Plymouth

The world première of a play based on the life of Maria Callas will be the opening production next week at the newly renovated Barbican Theatre, Plymouth.

The show, written by Paul Chand in collaboration with the director, John Dane, will run from June 27 to July 20.

Saleroom/Colin Amery

Not unreserved success

The two-day sale of nineteenth-century European paintings and drawings completed yesterday at Sotheby's was a major event which produced interesting and mixed results. The rather hybrid result of a highest ever total achieved for the evening sale of major English and European paintings on Tuesday was not entirely supported by the failure of some of the major individual items to reach their reserves.

The total for the evening painting sale was £3,406,920 but 31 per cent of the sale was bought in. The biggest surprise was the failure of the major painting by Sir Lawrence Alma-Tadema, *Under the Roof of Blue Ionian Weather*, a remarkable example of this artist's skill at achieving ultra-realism, to reach its reserve.

There were some 21 record prices achieved and a noticeable rise in the success achieved by some of the less well-known Scandinavian painters.

British dealer Lady Abdy was the successful bidder for the outstanding *Jeune Femme en Bateau* by Tissot at a good price of £341,000 (estimate up to £200,000). The second Tissot, *The Japanese Scroll* painted in the 1870s, sold for £242,000 to a telephone bidder acting for an American private collector. These prices failed to match the 1983 Tissot record of £520,000 paid at Christies for *The Garden Bench*.

London dealer Francis Kyle, better known for his gallery selling contemporary British and Continental artists, bought the painting of *Chloe* by Sir Edward Poynter for a record £220,000.

George Frederic Watts's strange and alluring *Endymion* made a high price for this artist at £110,000 — it was sold to an anonymous private collector.

The French painter Alfred De Dreux managed to reach a record for a good picture of *The Trainer* a relaxed treatment of the familiar equestrian subject, which made £104,500 sold to London dealers.

In all, the nineteenth century painting sale reflected the growing popularity of major French and English painters and an intriguing rise in interest and saleability of good Danish and even Finnish artists. The decline of interest in an artist like Alma-Tadema may well reflect an important re-evaluation of his true aesthetic worth. Too many poster reproductions of maidens in marble baths may not have helped his saleroom reputation. The large — and sometimes they were very large — paintings by lesser known Continental painters of the later nineteenth century are becoming less popular with collectors and museums who lack the space.

At Phillips in London two eighteenth-century statues by Rysbrack which had originally been part of the total landscape conception of Stowe, were sold for over £100,000. They are part of a series of statues of the seven Saxon gods who gave their names to the days of the week. The Victoria and Albert Museum bought Woden (Wednesday) for £44,000 and Thuner (Thursday) went to a private buyer.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

June 14–20

Exhibitions

VIENNA

Vienna 1870–1930: Dream and Reality: The greatest names of the Viennese fin-de-siècle – Klimt, Otto Wagner, Schiele, Kokoshka, Aldolf Loos, Josef Hoffman – in a dazzling display of Jugendstil creative genius. The attempt to integrate the artistic achievements of this era with philosophical developments (notably Wittgenstein but also Freud) and political transformations (the emergence of municipal socialism on the ruins of Baroque splendour) is ambitious and only partly successful. The complex tension between autocratic and censored reality on the one hand and the illusions or fantasies of individual artists on the other is hinted at but not fully explored. A high point of the show is a reconstruction of Hoffman's room at the secession exhibition of 1902. Here, triumphantly restored, is Klimt's fifty-foot Beethoven frieze depicting humanity's progress through suffering to joy on the theme of the Ninth Symphony. Displayed exactly as intended, this alone is worth a special visit. Kunstlerhaus. Ends October 6.

NEW YORK

Metropolitan Museum: 30 objects from the period between the 1851 Crystal Palace Exhibition to the 1900 World Fair in Paris demonstrate the show's theme of Revivals and Explorations in European decorative arts. Ends Sept 5.

WASHINGTON

National Gallery (West Bldg): 36 old master paintings from the Dulwich Picture Gallery are exhibited under the title Collection for a King, including works by Rembrandt, Van Dyck, Canaletto and Gainsborough. Ends Sept 2.

CHICAGO

Art Institute: With 200 of Marc Chagall's works on paper dating from 1907 to 1983, this show from the Centre Pompidou in Paris makes a good study of Chagall the draughtsman. Ends July 7.

PARIS

James Tissot: A nostalgic evocation of the charms of Edwardian life, with his fashion-plate perfection in rendering ladies' rustling dresses and beautiful hats, surrounded by attentive dandies at various social occasions. This show arrives in Paris from the Barbican, London. Petit Palais. Closed Mon. Ends Jun 30.

Corot to Picasso. The range of French 19th and 20th century masters assembled by the art merchant Robert Schmit comprises an important Degas pastel La Conversation and a Van Gogh, unusual both for technique and the theme of the Seine. On the first floor the sunshine comes in with Vuillard, Bonnard and Dufty. Picasso's Large Buste d'Homme faces an equally large Braque still life. There is a dream-like Balthus landscape and a strong blue, red and white one by De Staël. Galerie Schmit, 396 rue Saint-Honoré (2603636), closed Sun and from 12am–2pm. Ends July 20.

WEST GERMANY

Berlin, Gropius Bau, Stresemannstr. 110 Berlin 61: Treasures of the Forbidden Cities: Timed to coincide with this year's Berlin Horizon 85, the Peking Palace museum is coming to Europe for the first time, with roughly 120 works covering 3500 years of Chinese history. The exhibition in Berlin includes gold, and Jade, paintings, porcelain, musical instruments and calligraphs. Ends August 18.

Frankfurt, Museum für Kunsthandwerk, Schaumainkai 17: The new museum opens with an exhibition of Turkish culture and art from the Osman empire. 500 works are on loan, ranging from 15th-19th century. The show includes glass, carpets, ceramics, miniatures and weapons. Ends June 30.

Köln, Schnütgen Museum Cäcilienstrasse 29: Gothic Art from Bohemia, 60 masterpieces from between 14th and 16th century on loan from the National Gallery, Prague. Ends July 21.

München, Staatsgalerie moderner Kunst, Prinzregentenstr. 1: German Art since 1960. 200 paintings, prints and drawings by 13 artists from the private collection of the German Prince Franz of Bavaria. Among them: Beuys, Richter and Kiefer. Ends Sept 15.

Emden, Ackhuysen-Gesellschaft, Rathaus am Delft: To honour the late Franz Radziwill on the 90th anniversary of his birth. Ends July 28.

ITALY

Venice, Palazzo Fortuny: Toys for the science-fiction era, showing how vastly more sophisticated robots have become, since first produced in the 1950s. Ends Jul 14.

Florence: Museo Archeologico (Piazza SS. Annunziata) – The Etruscan Civilization: This is the first of a long series of exhibitions to mark The Year of the Etruscans, and shows the results of the most recent research into the Etruscan world. A useful history of this civilization's birth, development and decline. Ends Oct 20.

Palazzo Braschi, Piazza S. Pantaleo: Les Frères Sablet: 1775–1815. Paintings, drawings and engravings by two enormously industrious Swiss artist brothers, during their lengthy stay in Rome. Portraits, landscapes, and many charming conversation pieces against a background of well-known Roman monuments. Ends June 30.

BRUSSELS

Hotel Metropole is celebrating its 90th year and in its splendid *fin de siècle* public areas, worth a visit in themselves, they are exhibiting glass and objets d'art from the Belle Epoque to Art Nouveau including works by Wouters, Gallé and Daum. Also on show are a collection of illustrated menu cards including a Press Banquet in 1893, Congo in 1898 and Sarah Bernhardt in 1896. Ends Jul 20.

LONDON

The Tate Gallery: Francis Bacon, Britain's greatest living painter accorded the rare distinction at the age of 76 of a second full retrospective exhibition at the Tate, 20 years after his reputation as an artist of world standing was first put beyond all doubt. Now we see him no longer as a unque and extraordinary figurative, surrealist expressionist, but as an artist who has come at last into his own, as younger painters have come round again to the human figure as the central, creative preoccupation. As the subject matter is now more acceptable, so his peculiar and tormented re-invention and reconstitution of the figure no longer shocks. Ends Aug 18.

NETHERLANDS

Paul Klee at the Commanderie van Sint-Jan Museum in Nijmegen. 60 paintings, watercolours and drawings covering the years 1906-39 on loan from the holdings of the Kunstsammlung Nordrhein-Westfalen. Ends Jun 23.

FINANCIAL TIMES

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Thursday June 20 1985

Deadlock on Euro-fighter

DEFENCE ministers of five European countries have met once again to negotiate, if possible, the terms of collaboration on a joint fighter aircraft project for the 1990s. Once again they have separated without agreement. And this time it is an open question whether deadlock will lead to the abandonment of the project, at least in its five-nation form.

The first obstacle to agreement has long been — and to some extent still remains — a difference of view about what kind of aircraft is required. The French demand a light ground-attack fighter; the others — Britain, Germany, Italy and Spain — want a more powerful, and therefore heavier, air superiority fighter. Some narrowing of differences on these essential characteristics has taken place, at this as at previous meetings, with the others conceding much to French demands in terms of overall weight. But this laborious process has already taken two years, and may yet fall short of full agreement.

The first lesson would seem to be that European arms collaboration is likely to be successful only between countries which can rapidly come to agreement on essential military-mission requirements. This point is ostensibly recognised by most European governments, and is being given special emphasis in the Independent European Programme Group.

Stark contrast

This week's parallel meeting of the IEPG ministers seems to have made good progress, not merely in harmonising requirements for a significant and growing number of military items, but also in recognising the importance of pooling research and development efforts on a range of militarily significant new technologies, such as micro-electronics and image processing.

The contrast with the joint fighter project could hardly be more stark. Even if there has been a narrowing of differences on technical characteristics, the most serious obstacle seems to be a continuing dispute over industrial development and work sharing. Until now, Britain and Germany have called for equality between the three major countries, with smaller shares for Italy and Spain; the French have been demanding a dominant role for their own aircraft industry.

On this issue there has apparently been no progress at this week's meeting. The ministers have now left it to their national industries to sort out the argument; if they fail, so may the entire project.

The second lesson is that arms collaboration is unlikely to be sucessful unless there is a general consensus on the case for fair shares at the industrial level. If the work of the IEPG were to lead to a broadly-based programme of collaboration on a wide range of military items, it would make sense to acknowledge the claims of national specialisation. Marcel Dassault is an impressive maker of military aircraft. But to make a one-off project like the European fighter hinge on the predominance of Dassault in design and manufacturing is both risky in itself, and may jeopardise the prospects for future collaboration on other projects.

Chauvinistic

Considerations which apply to manufacture are also relevant to export policy. Dassault has been a sucessful exporter of military aircraft, and there is clear advantage in building an aircraft which can be exported. But the case for collaboration will not be strengthened if the outcome is an aircraft which is less than satisfactory for the four countries which are members of Nato, but boosts Dassault's sales to developing countries.

Lord Carrington, Nato's secretary general, recently criticised Britain for being too short-sighted and to chauvinistic in its attitude to defence equipment collaboration. He is undoubtedly right. For too long Britain has made an expensive virtue out of supporting its national industrial champions in defence equipment.

But his criticism does not apply solely, nor in the case of the fighter project even mainly, to Britain. It is a widespread failing. Defence equipment collaboration will not get very far, nor serve a useful purpose, unless defence ministers insist that the over-riding consideration is value for money, not the short-term interest of national industries.

Agenda for UK social security

IT WAS encouraging to hear Mr Norman Fowler, the Social Services Secretary, remind the House of Commons this week that his social security Green Paper is only a consultative paper and call for a vigorous public debate. There is much in the paper, particularly the rationalisation of supplementary benefit, worthy of support but it would be unrealistic for any government facing so complex a range of issues to expect to get everything right at the first attempt. The Green Paper should be regarded as an opening salvo in what will be a long campaign.

The Government already looks vulnerable on three fronts. First, since there is no reason to doubt Mr Fowler's candour when he calls for a lively debate, it seems odd that he is still unwilling to release the illustrative figures already prepared by his officials which show in detail how different groups would be affected by the changes. Every previous reform package has contained the numbers needed for an intelligent debate.

Resources

To offer to release the figures only when the consultation period is over lends succour to the critics who claim the package would prove politically unpalatable were Mr Fowler to come clean. Candour now does not require projections of future benefit rates—Mr Fowler could simply demonstrate what effect the new structure would have had in 1985-86. Structure and arithmetic cannot be disentangled. Without figures the effecst of the proposals on the poverty trap, for example, is unclear: one estimate suggests the plan could triple the number of households facing effective marginal tax rates of 80 per cent or more as benefits are withdrawn.

Second, the Government's rationale for scrapping the state earnings-related scheme (Serps) is under attack not least from its own pension advisers. It may have made sense to get rid of Serps as part of a really radical shake up of taxes and benefits which would release the resources for substantial rise in the basic pension. But the Government has rejected this apporach. Indeed, the relative prosperity of those dependent on the safety net is set to decline sharply because the basic pension is now linked to prices rather than pay.

Mr Fowler deserves credit for highlighting the problems posed by an ageing population but abolishing Serps will do little to solve them. It will not reduce the number of pensioners or their future material needs nor is it likely markedly to enhance the economy's ability to support them. The danger is that phasing out Serps could exacerbate poverty among the old in the next century. Past history suggests most people—especially those on low incomes—find it hard to provide adequately for old age through personal saving. The Government has produced no evidence to support its view that compulsory saving of 4 per cent of earnings in individual money purchase schemes will provide an adequate alternative.

Benefits

The organisation and inflation protection supplied by a scheme like Serps are real assets for the poorer half of the population it covers. The evidence the Government Actuary presented to Mr Fowler's pensions inquiry did not suggest that on present policies big increases in national insurance contributions would be necessary to finance state pensions. But if economies are needed, there are many ways of trimming Serps short of abolition. As Dr David Owen, the Social Democrat leader, pointed out in the Commons, such a compromise might conceivably attract the bipartisan support which in the long run is so necessary in pensions policy.

The Government is vulnerable on a third count. By looking for economies in the benefits but not in the tax allowances which form part of the welfare system, it is open to the charge of unfairness. It looks as though some comparatively poor pensioners will suffer substantially from the planned withdrawal of housing benefit but well off middle class home-owners will continue to gain disproportionately from mortgage interest relief. The real value of child benefit—in reality a substitute for child tax allowances—is to be cut by nearly 5 per cent yet the Chancellor recently raised the married man's tax allowance—enjoyed by couples without children—by twice the rate of inflation.

Ghana in transition

The long and hard road to recovery

Patti Waldmeir, recently in Accra, looks at the impact the IMF is having on the rebuilding of Ghana's economy

"In less than two years, the Government (of Ghana) has wrought a major transformation in the country's overall economic environment. Policy weaknesses that previous governments had chosen to ignore or had lacked the political courage to tackle are being addressed for the first time in the most trying circumstances. . . .

Other African countries are watching Ghana's experience with great interest. It is in effect a bellweather of how serious donors are about supporting major sub-Saharan reform efforts."

From a recent World Bank report on Ghana

THE POST - INDEPENDENCE economic history of Ghana, once the jewel of the West African coast and the political inspiartion of a continent, makes depressing reading.

Ghana, along with other potentially rich nations like Uganda and Zaire, ranks among the most tragic economic disaster stories in Africa, where poor domestic policies and adverse external events have left a trail of debilitation. Its experience goes to the heart of the economic and political crisis facing Africa: hardly a single mistake or misfortune which precipitated the crisis is unrepresented in its story—a chronicle of domestic corruption, mismanagement, inefficiency and neglect compounded by external shocks which traumatised the fragile Ghanaian economy.

Since 1983, the government of Flt-Lt Jerry Rawlings has taken bold steps to wrench Ghana from this apparently inexorable decline, implementing an IMF and World Bank-assisted economic adjustment programme which is arguably the most severe in Africa.

Virtually abandoned by donors by the end of 1982, the programme has since made Ghana the darling of the Western aid comunity. It has earned the fullest support from the IMF, and particularly the World Bank, both of which badly need an African success to boost their flagging reputation in the continent.

The programme has also provoked strong domestic opposition from radicals inside and outside government who see the market-oriented reforms (which have hit hard at the lower paid) as a betrayal of the egalitarian aims of the revolution. They also argue that heavy external borrowing to fund the programme will leave Ghana with a crushing debt burden. Nonetheless, Ghana's economic policy-makers continue to pursue their new pragmatic line, accusing dissidents of being blinded by dogma.

The economy which they are trying to rescue had largely taken leave of its senses (in the words of one observer) by the time Flt-Lt Rawlings took power in a military coup on New Year's Eve 1981.

Reckless government spending throughout the 1970s had led to large budgetary deficits which fuelled inflation and eroded the real value of the national currency, the cedi, until it traded at only 1/15 of its official rate on the black market. This made trading of imported items immensely lucrative. Those who were able to obtain import licences—through political influence, nepotism or bribery—made huge profits of as much as 2,000 per cent by purchasing imports at the ridiculously low official rate of exchange and selling them at a price set by the black market.

Production, whether for the local market or for export, became hopelessly unremunerative. While many production inputs were priced at the black market rate, returns from export were calculated at the depressed official exchange rate and domestic sales were strictly price-controlled. Official exports fell sharply (while smuggling increased), leading to a fall in foreign exchange receipts which in turn forced lower

Production became hopelessly unremunerative

imports of inputs and constrained export production. Ghana entered the vicious spiral of shortages which the Rawlings government is now battling to escape from.

During the first full year of the revolution, 1982, few outsiders, and indeed few among Ghana's privileged classes, were prepared to believe that Rawlings knew how to stop the rot.

The young revolution took off in several directions at once. It was launched on a platform of promoting grass roots democracy, ensuring a more equitable distribution of the nation's wealth, combating "neo-colonialist" exploitation, and eradicating corruption. It unleashed pent-up anger and frustration among the majority of Ghanaians at what they saw as the economic rape of their country during the rule of civilian President Hilla Limann, and reawakened political consiousness in a population dulled into apathy by years of economic hardship.

The level of popular mobilisation achieved should not be underestimated: 10 ft high piles of rubbish and human excreta atop which, prior to the revolution, children would squat to defecate in Nima, a shanty-town area of Accra, have been cleared away by community action (and have not reappeared); law and order has largely been restored (albeit through a rash of executions for economic and political crimes); and in the rural areas, there are signs that grassroots development initiatives are taking off as adult literacy campaigns and primary health care drives are undertaken.

But the results of the revolution's early direction were not all positive, and Rawlings has frequently criticised some of the excesses of its newly created institutions. The managerial classes, already depleted by the mass exodus of trained Ghanaians from the country in earlier years, long remained hostile to the new régime (although Rawlings has wooed many back since, eventually bringing into government as vice-chairman of the ruling Provisional National Defence Council an elder statesman figure, retired Justice D. F. Annan, who further allayed their fears? And the anti-imperialist rhetoric of the early days of the revolution tended to confirm Western donors in their view of Ghana as an unreliable recipient.

By 1982 new aid commitments had fallen to levels where they represented less per capita than for any other African country, apart from Nigeria (an oil producer). Relations with the West hit a low in March 1983 when Ghana accused the U.S. of plotting to overthrow the Government, producing as evidence a diplomatic cable which later turned out to have been forged. The U.S. suspended new commitments to Ghana in April 1983 (they have since been resumed).

Yet at the same time that some members of government were working to inflame popular tempers at the supposedly interventionist intentions of the West, Ghana's Finance Secretary, D, Kwesi Botchwey, was preparing to unveil an economic recovery programme drawn up in close consultation with the IMF and animated throughout by the West's conventional economic wisdom (an example of what Western donors still complain of as government's tendency to send out conflicting political signals).

The reforms implemented by the Provisional National Defence Council (PNDC) government in April 1983 were remarkable in the Ghanaian context. Despite the risk that devaluation could lead to a military coup (every previous devaluation in the country's recent history had produced that result) the Government introduced a massive implicit devaluation of the cedi of nearly 1,000 per cent. Subsequent devaluations have reduced the cedi to only 1/20th of its 1982 value, and further adjustments are expected (the black market rate is still three times the official rate, although the gap is narrowing).

In return for these and other measures to re-introduce sanity into the system, Ghana has secured two IMF standby facilities, the first a one-year credit from August 1983 in the amount of SDR 238.5m, and the second, which runs from August 1984 to December 1985, for SDR 180m. In addition, SDR 178.7m in funds from the IMF's compensatory financing facility have been made available. The World Bank has committed $270m to Ghana since 1982.

The main points of the economic recovery programme were: a cocoa producer price rise from c12,000 to c56,600 last month, abolition of nearly all price controls, elimination of petrol subsidies, restoration of fiscal and monetary discipline, and reductions in external payment arrears (short-term arrears fell from $601m in April 1983 to $257m at the end of 1984).

Rehabilitation of productive sectors of the economy is an integral part of the programme, with the export sector first to benefit (recovery programmes have been launched for cocoa, timber and mining). There has been heavy investment in re-

The short- to medium-term remains worrying

habilitating the road and rail networks, and the ports, and programmes to boost the production of the agricultural and industrial sectors are being prepared. At the last donor meeting in Paris in December, 1984, Ghana estimated that the total cost of the 1984-86 recovery programme would be some $4.15bn. Donors pledged $450m for 1985.

The programme suffered a setback in 1983 and early 1984, largely due to external factors. Drought—which cut food production in half and forced electricity rationing (because of the low water level in the Volta Dam)—was largely to blame. And the sudden arrival of over 1m Ghanaians expelled from Nigeria aggravated existing shortages. But there also appears to have been a tendency on the part of both government and the World Bank to overestimate the speed at which such a devastated economy could be expected to recover.

Luckily, the pace of recovery has picked up dramatically since the onset of rains in 1984. According to Dr Botchwey, real GDP grew by 7.6 per cent in 1984, reversing five years of per capita decline; inflation was trimmed to 40 per cent from 123 per cent in 1983; maize production more than doubled to 432,000 tonnes from 172,000; the dollar value of exports rose by 29 per cent; and the budget deficit as a percentage of GDP fell to 1.5 per cent from 2.6 per cent in 1983.

What is not clear is to what extent the credit for this remarkable improvement belongs to Dr Botchwey's programme of IMF-backed reforms, and how much to external factors like weather and export prices.

It is too soon to claim a victory for the IMF; the magnitude of the rehabilitation needed must not be underestimated. But there can be little doubt that the austerity measures administered by the Rawlings government have finally made recovery possible—not least because they have gained the IMF stamp of approval, without which the country could not have attracted the foreign funding to construct a basis for self-sustaining growth.

There is now every evidence that the basis is taking shape as the large amounts of foreign aid coming in are being directed scrupulously towards rehabilitating the productive sector (although domestic manufacturing industry continues to stagnate with capacity utilisation at around 20-25 per cent).

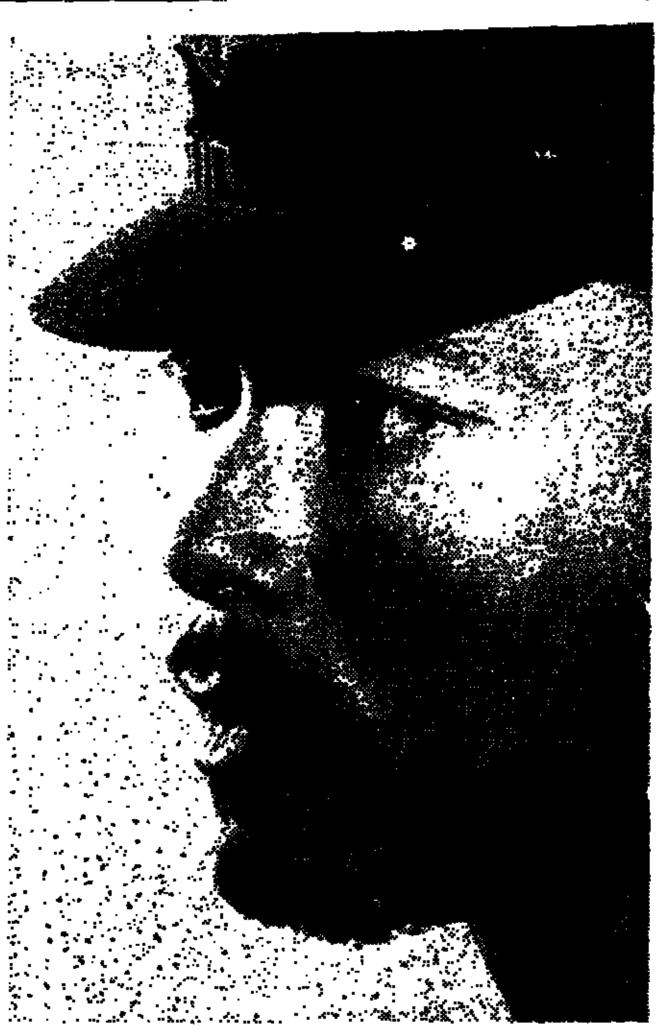
For the first time in at least 10 years, there is a light at the end of the tunnel for Ghana, governed by men and women whose commitment to rebuild rather than plunder has gained them widespread respect nationally and internationally.

Nonetheless, the short to medium-term remains worrying. In the short term, the average Ghanaian's hardship is extreme. The stock comparison which was true in the days of the rapacious civilians—that the minimum daily wage could scarcely buy a loaf of bread, let alone feed a family—remains true.

The country also faces a serious short- to medium-term debt servicing problem which could get out of hand unless exports show more resilience than they have so far demonstrated. Programmes to increase the volume of the two main exports, cocoa and gold, are both at least a year behind schedule, although donors and government hold high hopes of a quick recovery of timber exports.

According to a government report, amortisation and interest payments due in 1985 amount to $423m, or 63 per cent of export earnings as projected in the 1985 budget. And from the end of 1985, net flows from the IMF turn negative, making it likely that the country will be forced to continue rolling over agreements with the Fund despite a political atmosphere which is increasingly hostile to its dictates.

Until export earnings pick up, Ghana has little choice but to depend on heavy concessional flows from the West, and to hope for new private foreign investment (investors remain suspicious of Ghana, although they are testing the waters). Failure by donors, especially bilateral donors, to maintain or even increase support for the programme would certainly spell doom—and as the World Bank points out in its report, the West cannot afford to let this test case go under.



Flt.-Lt. Jerry Rawlings: a rescue operation.

Men and Matters

Cover point

In the Conservative tradition of talking about sensitive issues in code, Employment Secretary, Tom King, turned to cricketing metaphors yesterday to tell Mrs Thatcher that he would rather not feature in her Cabinet reshuffle this autumn.

King—who has a reputation as a wicket-keeper with "a safe pair of hands"—told a Press Gallery lunch at the Commons that he believed firmly that "once you have got the field set, it's a mistake to move it around too much."

Or, looked at from the other side, mor mistakes were likely if you denied your batsmen a chance to play themselves in.

King speaks from political, as well as sporting, experience. He was Environment Secretary from January to June, 1983, and Transport Secretary from June to October, 1983, before being moved into his present post.

The money run

The biggest single sum ever to go into a British amateur athlete's trust fund—£50,000—is on offer. Drinks group Seagram UK has put up the money for the first UK athlete to break a track or field record in a carefully selected series of televised meetings in Britain this summer.

The launch was appropriately attended by Olympic medallists Daley Thompson and Fatima Whitbread, and the contest will be known as the Mumm Champagne Challenge (Mumm now bubbles under the Seagram banner).

For the uninitiated, an athlete's trust fund is, to put it tactfully, a way of bridging the gap between amateurism and professionalism. The fund provides certain permitted perks for the athlete during his career and better things after retirement from money invested.

What can a top athlete expect from the fund? A man who represents them was playing it close to the chest. "If I said £50,000 they'd say it isn't worthwhile, but if I said £150,000 they'd want to know why they weren't getting the money."

For the record, only six world records have been set in Britain since 1954 when Roger Bannister ran the mile in less than four minutes.

"At the third stroke, our profit will be £1,480m and 25p, precisely"

Floppy first

Ashton-Tate, a leading U.S. microcomputer software house, clearly practises what it preaches. It has published its annual report in the form of a "floppy disk," the piece of polyester plastic used for recording information in business microcomputer systems.

Though it claims to be the first in the field, however, it has not quite got the courage of its convictions. The package it mailed to financial analysts and the press also contained the conventional printed version for all those potential readers without the right kind of computer to play the disk.

Ashton-Tate may open a new market—for software that will enable novices to transcribe company accounts on to floppy disks without tears.

But, old-fashioned as I am, I cannot help but regard it as a retrograde step just as companies are beginning to take pride in the way they present information to their shareholders.

Outlaw breed

Israel seems well on the way to banning the breeding of pigs and the sale of pork and ham with the first reading in the Knesset yesterday of a private member's bill.

At present, the sale of pork is prohibited in many parts of the country by municipal bylaws. But these are ignored by many of the best restaurants which happily pay a small fine whenever the municipal inspectors call.

Kibbutzim are major pig breeders—and one even has its own nationwide chain of retail butchers.

But in an emotional speech introducing the bill, Rabbi Abraham Shapira recalled the 2nd century BC uprising by the Jews against the Greeks and other acts of martyrdom in support of his caurse.

Left wing opposition members described the proceedings as "a primitive farce" and an infringement of individual rights. Police Minister, Haim Bar-Lev, had already admitted that the law would be unenforceable, they pointed out, and predicted that shops and restaurants would be subjected to raids by vigilante "kosher patrols."

Master buildings

Where do the tourists go to find the best of British building? Bank of England Governor Robin Leigh-Pemberton goes outside the City for his choice—to Maggie Thatcher's Grantham where 17th century Belton House expresses "an agreeable form of life, not necessarily grand, but well proportioned."

Playwright John Mortimer QC stays at home and chooses a legacy of Bleak House, the Law Courts buildings in the Strand — "they could never be called beautiful . . . . built in the 19th century out of unclaimed money left in people's wills."

The survey is conducted by In Britain, the British Tourist Authority's journal, which asked 16 VIPs to choose a favourite building. The Duke of Gloucester picked Ely Cathedral, Enoch Powell, Down Cathedral in Northern Ireland, actress Judi Dench the Old Vic and Lord Bernard Delfont Eastbourne Pier

In due course

Hundreds of people will have been writing letters over the last few days congratulating those whose names appeared in the Honours List at the weekend. But some honours — notably those for senior members of the Establishment — are given automatically, and just occasionally, they are received in the same spirit.

A former Civil Servant relates how the newly honoured Sir Leo Pliatzky, former Treasury mandarin, and later permanent secretary at the Department of Trade, attended a meeting of top Whitehall officials a few days after his knighthood had been announced.

As he entered the room, an approving murmur ran around the table and several people half rose to their feet to offer congratulations. But Pliatzky swept to his seat, announcing in dismissive tones: "It's the rate for the job. Congratulations are not in order."

Observer

ECONOMIC VIEWPOINT: UK ELECTORAL REFORM

The Thatcherite case for change

By Samuel Brittan

TIME AFTER time in talking to UK business gatherings, it emerges that the real interest of the audience is not so much in any conventional assessment of the economic outlook, as in guesses about the outcome of the next election.

So long as we have the first-past-the-post electoral system, all the pressures on Mrs Thatcher, both from inside and outside the Conservative Party will indeed be to avoid controversial action, and appease interest groups. This will appear preferable to many to a majority Labour Government, whether the latter is produced immediately after the next election—or more likely—after a dissolution and a second election.

The case I want to urge in this article is that the one way the Government can escape from its straitjacket is to espouse the cause of electoral reform in the shape of any system for relating the number of seats more closely to the number of votes.

Among Conservatives, such reform is usually urged by anti-Thatcherites, who say they would like a different "tone," which in practice means even greater and more indiscriminate levels of state support for interest groups and spending lobbies than we have already.

But today I want to urge a contrary argument. This is that so far from being a preserve of the "wets," electoral reform should be espoused by those who want the Government to be more radical rather than less, to remove unnecessary constraints on the working of markets, to reduce the role of interest groups and to make welfare spending more selective and thereby more effective and genuinely compassionate.

Not everything that is amiss can be blamed on the electoral system. The root of the Thatcher Government's present malaise is that it went to the country a year too early, in 1983, on a doctor's mandate to capitalise on its post-Falklands popularity.

As a result, no real thought had been devoted to the problems which were clearly going to stare it in the face in its second term—jobs, public spending, social security and all the rest.

When these problems duly arrived, the Government had an unenviable choice: either to shove them aside, or to spring unpleasant policy surprises for which neither its own supporters nor public opinion in general has been prepared. Inevitably it has gone in for inadequate compromises, doing enough to antagonise vocal groups, but not enough to satisfy the reformers.

In part, the reformers have themselves to blame for wishful thinking. Margaret Thatcher will always be entitled to the credit for having successfully stood up to the Scargill threat. The residents of north Oxford or Islington who do not like her "tone" should ponder whether they would have preferred to live under the Scargill whiplash.

But having said that, Mrs Thatcher is far from being Milton Friedman in drag. She is notoriously blind to the case for undistorted markets, when this means upsetting "our people," whether mortgage holders or beneficiaries from pension fund privileges. Nor can the electoral system be blamed for diversion of energy into excessive overseas visits, or secondary or pointless activities, such as abolishing the GLC or replacing household rates by more complex and cumbersome taxes having a broadly similar effect.

The point is rather, that to the extent that the Prime Minister does have radical aims, she is — less than halfway through the statutory term of a Parliament—hemmed in by her party's fears about the next election.

The Cabinet has run away from the decontrol of rents in new tenancies, for no better reason than fear of unfavourable headlines. The consolidators and trimmers in the Cabinet are determined that Wages Councils should not be abolished, again because of fears of unfavourable publicity.

This paralysis of will seems doomed to continue even if the Conservatives do surprise themselves and their opponents by winning a third term. For in the course of the election campaign the Prime Minister will be forced into more of her famous "pledges" not to undertake any changes which could conceivably frighten any marginal group of voters anywhere.

Unfortunately, the case for caution cannot be easily dismissed under the present first-past-the-post system.

It is well known that the electoral system is biased against the Alliance—unless it can exceed a threshold of about 35 per cent of total votes. Not quite so well known is that, under a wide variety of circumstances, it is also biased against the Conservatives and in favour of Labour, because of the concentration of the latter's support in traditional inner-city strongholds, not easily dislodged.

The Alliance came second to the Conservatives in 263 seats in 1983 and second to Labour in only 49. Thus, even if the Alliance took votes equally from both parties far more of any gains in seats are likely to be at the expense of the Conservatives.

Dr Gordon Reece of Bristol, with aid of a very plausible "proportional loss" model, which has already made successful predictions, suggests that if the Alliance increased its vote only slightly over 1983, and Labour and Conservatives had equal shares of the votes, there would be a hung Parliament with Labour *leading* the Conservatives. With bigger Alliance gains, the Alliance would find itself replacing — not Labour, as originally billed, but the Conservatives.

One way by which the more radical Thatcherites could escape from this arithmetic and regain momentum would be to change the incentive pattern of British politics. Let us suppose that some form of proportional representation were in sight. A German-type system which retained single member constituencies, with the addition of other members from a list to secure proportionality, would probably serve Britain best. But the exact choice of system is irrelevant to the main argument.

The crucial point is that the pay-off to radical action would change completely. If the gamble came off and the electorate perceived results by 1988, Mrs Thatcher would astound her critics by winning —initially outright—and after electoral reform, the Conservatives would be likely to achieve the largest number of seats.

But suppose the gamble failed and there were a large swing against the Government at the next election. The most that could happen would be some middle-of-the-road coalition.

Is that any worse from the point of view of Thatcherite radicals than the present Conservative Government trying to avoid controversy, and giving way perhaps to a Kinnock Government and at best to a third Conservative Government pledged to continue its present dull course into a third Parliament?

Many other changes are required apart from electoral reform. Fixed-term Parliaments could reduce the period of election fears. More basic reforms, such as a Bill of Rights, could reduce the threat of what Lord Hailsham once called "elective dictatorship." But without electoral reform such constitutional safeguards would soon be swept aside, if they were ever enacted.

There would be a price to pay for electoral reform, like anything else. For after a last bout of Thatcherite reform there would be few further contrived revolutions. No left-radical or right-radical group could come to power by capturing a political party and trading on the electorate's disillusion with the Government in power.

The change would not necessarily be for the worse. If you want to move people away from collectivism, towards greater self-reliance, you will advance more surely if you persuade a sufficient group of people in the middle of what you are doing.

There would thus be fewer policy reversals under PR, but less need for them; and change would be recognised as incremental as it has been in almost every other European country. Those of us who believe in radical policies that do not just split the difference between current extremes, would have an uphill struggle, but no more than at present. The conventional wisdom would, in the end, be changed by events.

Please let us not have the old chestnut about proportional representation producing weak and chaotic governments on the continent. Some countries, with PR, such as Germany and Scandinavia, have strong and durable governments, suggesting that it is not PR which produces the chaos, but other differences between them.

Electoral reform may seem better for Thatcherism than for Mrs Thatcher herself. Yet is this really so? She may not be the leader to preside over the first PR government (although who can be sure?); but she may well not survive the next election and its aftermath anyway. If electoral reform were on the horizon, she would both have accomplished more in two terms and have a better chance of the better part of her legacy enduring than it has at present where her Labour adversary is pledged to reverse almost everything except council house sales.

Unfortunately, it is rather late for a conversion. The odds are that the Government will go on trimming and consolidating in the best John Biffen manner, without having all that much worth consolidating. This will not necessarily produce victory for it at the polls, but will show that the mediocrity supposedly characteristic of PR is actually characteristic of the system we now have.

SOME ELECTION SIMULATIONS

% VOTES†			SEATS			OUTCOME
Alliance	Labour	Conservative	Alliance	Labour	Conservative	
16	36.9	44.9	3	250	376	Conservative majority
26	28	44	21	209	397	Conservative majority*
28	34.9	34.9	42	296	287	Labour largest party
32	32.9	32.9	87	287	251	Labour largest party
36	30.9	30.9	251	274	100	Labour largest party
40	28.9	28.9	382	242	0	Alliance majority

*Actual 1983 results; not simulation.
†Other parties, including Nationalists and Unionists not shown. In 1983 they won 2 per cent of votes and held 21 Parliamentary seats.

Source: Voter Representation, by Gordon Reece, published by Conservative Action Committee for Electoral Reform

Lombard

Empty consensus on African aid

By Anatole Kaletsky

WHEN large numbers of politicians and economists suddenly stop arguing about a previously controversial subject, and start fulsomely endorsing each other's views instead, one can usually smell a rat. Today, there is an unprecedented consensus about a question of life and death for many millions of people: how is Africa to be fed?

Everybody knows the answers. In the short term, relief agencies and Western governments must set aside political considerations and get the food to those who really need it—even if this means dealing with unpalatable regimes, and unlawful guerrilla movements. Looking to the future, developing countries must concentrate resources on small-scale agriculture, instead of vainglorious industrial "cathedrals in the desert."

There is hardly a dissenting voice against these eminently reasonable prescriptions. Last month, for example, saw the publication of a remarkably forthright and cogent report called Famine, a Man-Made Disaster? This book, for the Independent Commission on International Humanitarian Issues, includes such standard-bearers of the Third World as Mr Salim Salim, Prime Minister of Tanzania, M Leopold Sedar Senghor, former President of Senegal and Sr Luis Echeverria Alvarez, former President of Mexico.

This book pulls few punches, for instance in denouncing the "rapacious" corruption which thrives off the "aid culture in many African capitals." It draws attention to the mind-numbing bureaucratic battles which have distracted UN agencies from dealing with disasters. And it administers some healthy kicks to sacred cows of Third World nationalism such as the inviolable territorial integrity of sovereign states. "When there is a major disaster, humanitarian considerations must override sovereign prerogatives," it says.

Even more important, this book endorses a long-term approach to the Third World's food problems which, superficially, would win acclaim in the World Bank, the IMF, the White House and Downing Street. The focus of development must switch to peasant farming, and the best way to achieve this is by concentrating aid resources on small-scale rural credit programmes, which enable the farmers themselves to decide how best to employ the available funds.

Where, then, is the "rat" amidst this laudable consensus? The flaw is simply that consensual talk is all too often a substitute for action. Prices have been liberalised and exchange rates have been devalued under IMF and World Bank pressure, but this is only the easiest part of the necessary reform. People who know starvation do not need price incentives alone to encourage them to grow food. They also need political stability, incomes to support their families between harvests, and land.

America and Europe have resolved to channel aid to the peasants. But when it comes to refinancing the International Fund for Agricultural Development, the one international organisation which has devoted itself exclusively—and successfully — to small-scale rural development, the U.S. refuses to contribute.

Britain enthusiastically endorses the new development approach, but insists on preserving the bilateral share in its aid budget, so British manufacturers trying to sell industrial equipment to developing countries can continue to be subsidised.

The World Bank underlines the importance of peasant agriculture at every opportunity, but its lending conditions never touch on land reforms of the kind which have enabled China, Korea and Taiwan to feed themselves.

Politicians from Washington to Kinshasa pay lip-service to the needs of the rural poor, but preserve political structures which ensure peasants will continue to be squeezed and ruined financially by large land owners, monopolists and urban elites. For the poor, it hardly matters, after all, whether the people exploiting them are called capitalist merchants or socialist commissars.

"Famine, a Man-Made Disaster? A report for the Independent Commission on International Humanitarian Issues, Pan £1.95.

Letters to the Editor

Stock Exchange reform

From Mr H. Marsden.

Sir,—I feel that Mr Eric Baker (June 18), most ably puts the case for self-interest but does not mention the more important point which is the continued healthy future of the Stock Exchange. Following on the success of this, individual self-interest should be satisfactorily looked after.

We have had for a very considerable number of years a system which has worked on the whole satisfactorily for all users of the Stock Exchange. The Bank of England, companies who use the Stock Exchange, investors and members should all be working for the same general purpose. In the past it has usually proved right to build on a successful and proven system rather than making radical changes.

Eric Baker is correct in stating that much of the vote against the proposals is expressing the feeling that we are not going forward with the right proposals. Mr Jeremy Lewis's open letter to members strikes the right note and deserves much consideration and support from members. The larger firms of stockbrokers and their members have shown self-interest over many years in continuing to charge high Gilt Edge commissions. They continue to vote for self-interest which is quite acceptable as long as it does not lead to oppression of the minority of other members and other users of the Stock Exchange. It is moreover a question of national importance and the Bank of England should be working for the interest of everyone, as indeed the Stock Exchange Council should.

Hugh Marsden.
Schaverien and Company,
18½, Sekforde Street, E.C.1.

Brecon and Radnor

From the Chairman, MORI.

Sir,—Your news summary on Monday reported "a MORI poll for the Mirror 'forecast' a landslide win in the Brecon and Radnor by-election." The MORI poll did not forecast anything. It reported an eight point lead from fieldwork conducted from June 4-9 the week before the writ was moved. Opinion pollsters do not read tea-leaves, gaze into crystal balls or otherwise predict the future. What they do is report, within known limits of statistical accuracy, public opinion at a point in time a month before the actual by-election.

Although 85 per cent of the Brecon and Radnor electors knew that the by-election had been called, the campaign had not begun when the fieldwork was done. Candidates are out persuading the electorate, canvassing is being undertaken, local and national media are focussing their attention as are national politicians. Any of the major parties could win. It is beyond our capability and indeed our desire to predict the results a month hence. It is unfortunate that a journalistic misconception should suggest to its readers that this is being done.

Robert M. Worcester.
32, Old Queen Street, S.W.1.

How to get on the list

From Mr P. O'Shea

Sir, — Sue Cameron's article "How to get on to the list" (June 15) was quite interesting. I did, however, fail to understand one of the conclusions she arrived at which is "that it does not cost the Government a penny."

It would appear from her article that a considerable amount of time is spent by quite senior staff in various departments of Government in preparing the honours recommendations. It must run into thousands of man-hours and woman-hours.

If Sue is right they must be doing all that work in their spare time. To end anyone's niggling doubts, I think we should be told.

P. J. O'Shea.
13 Westchester Drive, NW4

Sue Cameron writes: Point taken. But apart from Downing Street, where half a dozen officials work full time on Honours, individual civil servants rarely spend more than a few hours a year — if that — working on contributions to the list. As reward systems go, it is still a bargain for the taxpayer.

Names who waived their rights

From Mr D. Evers

Sir,—Though one can take no exception to Mr Roddick's remarks (June 12) about Fairy Godmothers, any member of Lloyd's would do well to reflect on the hardness of the PCW names' plight. A year ago these names accepted an offer of restoration of what has been estimated as half their missing funds (the rest was allegedly stolen) on an assurance that their "open" accounts were at the least not loss-making, and in return waived their right of action. It is a cruel nemesis indeed that punishes names more by reason of an alleged fraud than of the cutting of rates. Having lost an alleged £37m in interest and waived their rights on what turn out to be wrong assurances, it is made clear to them that no help is forthcoming.

It seems tragic that many names will fail to pass the audit and have to cease underwriting, thus losing the chance of recouping their losses, because of the money and the time they have lost through alleged fraud and through mistakenly waiving their rights. Lloyd's has a fine record for treatment of policyholders, but thus far the treatment of investors (names) in the PCW case seems to me less than fine.

In the long run "utmost good faith" should apply to the investor as well as the policyholder. If it does not the whole Lloyd's community will be the sufferer.

David Evers.
30, Bush Lane, EC4.

Money purchase pensions

From Mrs G. Kaye

Sir,—There are dangers in money purchase pension schemes, but they can be made to work in an inflationary era subject to a satisfactory investment medium. Mr Nottage (June 15) used the FSSU (federated superannuation system for Universities) as an example of the failure of all money purchase schemes — as indeed have many others before him. It is not fair, however, to use it as such without first detailing its historic background.

Modern pension schemes are based on the 1921 Finance Act. Any scheme which predated it, such as the FSSU, escaped its provisions. Similarly, any schemes which escaped the immediate provisions of the 1946 Act following the Beveridge report — as did the FSSU — was immune only until such time as a material change was made to the scheme rules. If such a change was made, then the scheme would have to conform to the 1921 basis, as later revised and consolidated. Any modernisation therefore would have resulted in the loss of the member's ability to take all his retirement benefits in cash. A feature of FSSU requiring modernisation was the fact that tax relief on policy contributions was normally based only on the relief given to life insurance policies.

Many FSSU members had their contributions invested in non-profit policies which patently did not keep up with inflation. This failure of investment medium is surely independent of benefit structure. No-one is suggesting that the vast surpluses currently being made in the funds of pension schemes (or the deficits in 1974) are due to the design structure of the schemes. It was not the FSSU structure itself, but its combination with non-profit policies which led to the provision of inadequate pensions.

Changes would have been needed to make FSSU work in modern conditions, but the FSSU does still exist and has over 4,000 members. The majority of these members are not employed by UK universities; the remaining members tend to be employed by agricultural and other research associations, such as wool, rubber and brewing and by the Commonwealth universities, particularly in Third World countries. All these employments involve considerable short-term interchange of staff.

(Mrs) Geraldine Kaye.
City University,
Northampton Square, EC1

Industrial activity

From Lord Ezra.

Sir,—As a past chairman of the British Institute of Management, I read with some dismay (June 17) that Professor John Constable, the new director-general, "does not believe Britain's manufacturing sector is going to create any new jobs for a long time—if ever."

I have just returned from a brief visit to Germany as a member of the House of Lords select committee on overseas trade. The purpose of our mission was to identify the German policy towards the industrial sector, with particular reference to exports.

What we found was a total determination to expand industrial activity, fuelled by increases in investment in the private sector of at least 10 per cent per annum, and a progressive switch in public expenditure from revenue to capital spending. By these means it was hoped that the present high rate of unemployment (2.3m or 8 per cent of the working population) could be reduced to an acceptable level by the end of the decade.

Western Germany is running a substantial surplus in its manufactured trade account (unlike the deficit in the case of the UK) and intends to build this up. There is confidence that the high level of investment can be pursued without adverse effects on inflation, currently 2.5 per cent.

In Western Germany they clearly believe that a positive policy of industrial expansion can create more jobs. Why should this not be possible in Britain?

Derek Ezra.
House of Lords, S.W.1.

FINANCIAL TIMES

Thursday June 20 1985

U.S. claim of 'chip' dumping rejected by Japan

By Carla Rapoport in Tokyo

JAPAN'S semiconductor industry hit back sharply yesterday against U.S. accusations that it had conspired to keep U.S. semiconductor companies out of Japan.

Mr Akio Morita, chairman of Japan's Electronic Industries Association and chairman of Sony, the Japanese electronics group, yesterday disputed U.S. figures that show that American companies have only 11 per cent of the Japanese market.

He said the real figure is closer to 19 per cent, if sales by U.S. subsidiaries in Asia and Japan are included.

Last week, the U.S. Semiconductor Industry Association (SIA) filed an unfair trade complaint with the office of the U.S. Trade Representative under Section 301 of the 1974 Trade Act. It said that Japan was keeping U.S. companies out of the $8bn-a-year Japanese semiconductor market.

Mr Morita also rejected the notion that Japanese companies were dumping semiconductors in the U.S. market. Earlier, representatives of the U.S. Semiconductor Industry Association said in Tokyo that three U.S. companies were considering filing anti-dumping suits against Japanese companies in the wake of the Section 301 action.

Earlier this week, talks between Japan and the U.S. on market-opening measures in the field of semiconductors ended inconclusively. Those talks are part of a series aimed at opening Japanese markets in four target areas.

Japanese officials at the Ministry for International Trade and Industry (Miti), who attended this week's talks, also said that Japan did not believe there was a dumping issue.

"If there is a claim of dumping, it should be decided by international law," said Mr Tohru Ishida, a member of the American trade division at Miti. The next round of talks will be held in August.

Mr Morita yesterday criticised U.S. companies for taking short-term views of the Japanese marketplace.

Mr Alan Wolff, representing the U.S. SIA, yesterday alleged that Japan had "put in place a structure 10 years ago" to resist import penetration. As a result, he said the U.S. semiconductor industry had 55 per cent of the world market and less than 10 per cent in Japan.

That was because of a "buy-Japanese" attitude on the part of Japanese companies. "We are talking about the strong preference that vertically integrated Japanese companies have for dealing with each other," Mr Wolff said.

Although 45 cases under Section 301 have been filed previously, only two have been acted on. The rest have been settled through negotiation.

Under Section 301, President Reagan must decide within a year whether retaliation, such as tariffs or import quotas, is appropriate, if negotiations fail.

Citroën plans job cuts

Continued from Page 1

The Peugeot group is now far more advanced in its overall restructuring programme than its domestic rival Renault, having managed to reduce its Peugeot-Talbot-Citroën car workforce by 7.5 per cent from 181,800 in 1983 to 168,100 last year. These efforts, coupled with the commercial success of the Peugeot 205 supermini and the Citroën BX medium size car, have helped the company to reduce its losses substantially in the past year. M Calvet is now hoping the company will break even this year after several years of consecutive losses.

In contrast, Renault is now about to launch a draconian restructuring of the company's heavily lossmaking car operations. M George Besse, the new chairman of the state car group, has now finally unveiled his strategy to try to return the group to profit.

London set to offer soft loans to China

BY PETER RIDDELL AND CHRISTIAN TYLER IN LONDON

THE BRITISH Government is to offer soft loans to China, and possibly other countries, as part of export subsidy packages on a number of selected projects.

This follows a lengthy debate within Whitehall about the extent to which Britain should follow other European countries.

A formal decision has yet to be made by the Cabinet. The concession will apply only to specific projects and solely in countries with good sovereign risk status. In the Far East, for example, this might include Indonesia as well as China.

It will be justified on the grounds not only that other European countries do the same but also that if it secures large export contracts it will generate employment. But the Treasury is insisting that such loans should only be offered in a few cases and should only form a small part of any Export Credits Guarantee Department package.

The move follows pressure from businessmen who have visited China recently, including a top-level delegation in February headed by Lord Young, the UK Minister without Portfolio.

Just as important has been the build-up of foreign credit competition from Japan, West Germany, Italy and France. One factor has been the disagreement with Japan over a "development" loan to support a successful bid to build a second Bosporus bridge.

Chinese demands for trade credit are new, and businessmen report that interest rates as low as 3 per cent are being sought.

Many countries have now broken a five-year-old informal agreement among the richer nations not to provide cheap trade credit to China. For example, according to the UK Department of Trade and Industry, Japan has since 1979 arranged development loans of over £5bn ($6.5bn) on long repayment and at interest rates of between 3 and 6¼ per cent.

Two months ago, France signed a protocol in Peking to provide mixed credits worth FFr 1.75bn ($190m) in the hope of winning some big telecommunications contracts for French companies.

Most British tied aid goes to Commonwealth countries or those with strong traditional links. China has not been granted UK aid for capital projects for many years.

Last year, the Overseas Development Administration spent only £192,000 on technical co-operation with China, mainly for English-language teaching.

A decision to join the credit race in China will be welcomed by those few British companies that have made serious efforts to catch the tide in this fast-moving market.

It was not clear yesterday whether new money will be found for subsidising trade credit to China, or whether funds will come out of another part of the existing aid budget.

The Government has been generally reluctant to commit itself to full-scale matching of competitor-country subsidies. But attempts are being made to speed up in the approval process in Whitehall for soft loans to certain markets.

TWA union chiefs consider stock buyout by employees

BY PAUL TAYLOR IN NEW YORK

UNION LEADERS at Trans World Airlines (TWA) have formed a new coalition to "pursue alternatives" – including the possibility of an employee stock ownership plan (Esop) buyout of the airline – to Texas Air's proposed $925m agreed bid for the air carrier.

The move comes amid mounting opposition from TWA's 29,000 employees to the Texas Air bid, which would be funded by a complex package of high-yielding low-quality "junk bonds."

The formation of the union coalition follows the results of a spot survey of their TWA membership conducted by an employee group called the TWA Employees Committee. The informal committee claimed earlier this week that the survey showed "strong opposition" to the Texas Air deal reflecting concerns among the workforce about Texas Air chief executive Frank Lorenzo's anti-union and cost-cutting reputation.

The questionnaire also revealed that TWA workers would be willing to make short-term financial sacrifices in order to defeat the Texas Air plan.

The union coalition, which comprises leaders from the TWA's three major unions, the TWA pilots' master executive council of the Airline Pilots Association (Alpa), the Independent Federation of Flight Attendants and the International Association of Machinists.

As part of the union group's plans to thwart the Texas Air bid, the coalition said it had retained two investment bankers, Mr Eugene Keilin, a Lazard Freres partner, and Mr Brian Freeman, president of his own firm, "to prevent Mr Lorenzo from gaining control of TWA."

The unions said the investment bankers would form a special team of legal, financial and other experts to advise them on alternative strategies. The new coalition said it would also assume responsibility for the activities of the airline's former employees' stock ownership committee which began investigating the possibility of an Esop buyout 18 months ago when the airline was spun off by Trans World Corporation.

Ms Vicki Frankovich, president of the Independent Federation of Flight Attendants and one of the union coalition leaders, said yesterday that an employee buyout "is one of a number of options" the group would investigate. However, she said that she, like some other TWA union leaders and Wall Street analysts, "remained cautious" about an Esop plan but added, "we see Mr Lorenzo as a great threat to our workforce."

New details of Lloyd's losses

BY JOHN MOORE, CITY CORRESPONDENT, IN LONDON

THE AUTHORITIES of the Lloyd's insurance market may be forced to intervene directly in the affairs of 1,525 underwriting members who are facing £130m ($170m) of losses. Price Waterhouse, the accountants, have uncovered new details on the background to the losses which have hit the underwriting members.

Price Waterhouse were commissioned to investigate the affairs of the members by a steering committee which is seeking to protect the affairs of the underwriting members.

Price Waterhouse has found:

- Evidence of deliberate manipulation of the accounts of the syndicates into which the underwriting members were grouped;
- A radical change in the accounting policy of the syndicates which has led to increased provisions for future insurance losses;
- Insurance protection designed to protect the underwriting members themselves against onerous losses in the course of trading has been dismantled by Minet Holdings and its subsidiary Richard Beckett Underwriting Agencies, which look after their affairs.

Price Waterhouse has probed the relationship of the syndicates, into which the members were grouped, with an offshore company called the Chiltern Reinsurance Company. Former executives of the agency diverted syndicate funds through the Chiltern to their own private interests. But Price Waterhouse has discovered that the Chiltern was used to disguise the true level of insurance business that was being accepted by the syndicates.

Up to three times more business than is allowed under Lloyd's financial controls was accepted by some of the syndicates into which they were grouped. That means that the syndicates were exposed to more insurance losses than they should have been. The excess premiums were "warehoused" with Chiltern.

The steering committee is concerned that it did not have sufficient information last year when underwriting members were made an offer by Minet of nearly £40m to compensate them for the funds which had allegedly been misappropriated by former underwriting executives. They are arguing that the current losses are not due to pure underwriting decisions at Lloyd's.

Details, Page 9

Ontario setback for Ottawa policies

ONTARIO'S Progressive Conservative provincial government has fallen after 42 years in power, ending an era in Canadian politics, writes Bernard Simon in Toronto.

The Tories are likely to be succeeded by the Liberals, who will be supported in the legislature by the mildly socialist New Democratic Party (NDP), which holds the balance of power.

The imminent change of government in Canada's most populous and industrialised province is likely to have a significant impact on national politics, complicating efforts by the Conservative federal Government to secure support for its policies from the country's ten provinces.

In particular, the Liberal/NDP alliance in Ontario may slow federal efforts to pursue trade liberalisation with the U.S. Ontario produces almost half of Canada's manufactured goods and the NDP – which relies heavily on blue-collar workers for support – strongly opposes easier access for U.S. goods to Canada.

Both parties are also concerned that freer trade will encourage many American companies to transfer production facilities from Canada to the U.S.

The Liberals are also likely to resist moves by Ottawa to decontrol domestic natural gas prices, which would raise returns to producers in western Canada at the expense of consumers in the east.

The Tories were defeated in a no confidence motion in the provincial legislature in Toronto on Tuesday night. This clears the way for the Lieutenant Governor to invite the Liberals to form a new government. Neither the Tories nor the Liberals secured an overall majority in provincial elections last month.

The new administration, headed by Mr David Peterson, the Liberal leader and a former lawyer, is expected to be sworn in within the next two weeks.

De Beers faces second break with Zaire

By George Milling-Stanley

DE BEERS' Central Selling Organisation, which markets over 80 per cent of the world's rough (uncut) diamond output, may face a second rupture in relations with Zaire, probably the world's biggest producer.

Intensive negotiations have failed to produce a renewal of the contract between the two, which expired three months ago.

Zaire previously decided to market its stones independently of the London-based CSO and its South African parent, De Beers Consolidated Mines, in May 1981.

That caused a serious blow to the pride of the CSO and aroused fears within it that other diamond-producers in black Africa, already uneasy about the closeness of their relationship with a South African group, might be tempted to follow suit.

In the event, none did, and Zaire returned to the CSO fold a little under two years later, as a result of pressure from De Beers and the World Bank and of falling revenue from sales to the independents as the downturn in the market intensified.

At the moment, the CSO is continuing to handle Zairean diamonds on an ad hoc basis.

There is, however, considerable speculation surrounding the fate of the latest batch of diamonds representing a month's production from the big Miba mine. Belgian interests are known to be eager to re-establish their traditional footing in Zaire's economy, and there have been suggestions recently that the whole of last month's diamond output was sold outside the CSO.

Although it is probably the largest producer in the world by volume, Zaire's importance in the diamond business is lessened by the fact that the vast bulk of its output consists of the lower-value industrial material, with comparatively few gems.

Moreover, mine security is very lax, and many of the better stones are smuggled out of the country.

Background, Page 38

NYSE to step up scrutiny of mergers

By Terry Dodsworth in New York

THE New York Stock Exchange is beefing up its surveillance of merger and acquisition activity with the creation of a specialised unit within its regulatory services devision.

The move follows increasing concern recently over the possibility of insider trading by individuals using information not generally available to the public. Many of the mergers and takeovers launched in the past two years have been preceded by erratic share price movements which have suggested some trading on inside knowledge.

Dr. David Marcus, executive vice-president of regulatory services, said yesterday: "Accompanying the recent surge in merger and acquisition activity has been an increase in the number of questionable transactions, and concurrently, the exchange has intensified its surveillance of those events.

"The formation of this unit complements and strengthens the exchange's surveillance capabilities and reaffirms our commitment to maintaining a fair marketplace for all investors."

The creation of the unit, which will be able to draw upon about 20 individuals within the regulatory division, coincides with the development of a computerised system for tracing connections between possible insiders and customers.

Under this system, the regulatory staff will have access to a database containing detailed files on the directors of most large corporations in the U.S., including such details as their university careers and country club memberships.

It will be possible to link this data with the exchange's intermarket surveillance information system, a database housing the consolidated trade quote and clearance data for equity and options activity.

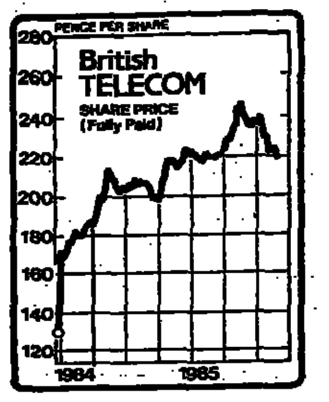
The matching of information contained in these files will disclose suspicious connections more rapidly than has been possible using manual systems, officials say. It will be possible, for example, to track share deals originating in a particular geographical area by simply refering to postal codes in addresses.

Stock market reports, Page 46

THE LEX COLUMN

Ten-digit number from Telecom

The Bank of England's cautious line on interest rates has been largely vindicated so far this year, so no doubt it feels fully justified in playing the spoilsport once again. Yesterday's rise in sterling, against a background of soft U.S. rates and a less fragile oil price, might have created the conditions for a cut in base rates. But the Bank was having none of it; it failed to provide the money markets with a repurchase facility and seemed quite content to let the discount houses sweat a bit.



British Telecom

British Telecom announces profits as frequently as it sends out telephone bills, so the market has had a clear idea of what to expect from the preliminary results for at least the past three months. With a call on its shareholders due next week, BT was never likely to disappoint those expectations and the only question was whether the group might wire its accounts to produce pre-tax profits of £1.5bn in year one. In the event, profits emerged bang in the middle of London forecasts at £1.48bn, £130m ahead of the prospectus estimate and – on BT's arithmetic – 24 per cent up on the previous year.

The final quarter showed a surprising bounce in operating profits from international services, roughly balanced by an unexpected rise in miscellaneous operating costs. The new-look BT has a keen eye for capital allowances – it has parked over £100m of pre-payments into the capital expenditure figures – and invested heavily in customer service and management information systems late in the year. The result was some duplication of systems and a steep rise in operating costs.

That duplication will restrict BT's freedom to cut staff numbers – the rate of labour wastage will be lower this year – but once fully installed the new systems should offer substantial improvements in efficiency and productivity. If all goes according to plan, BT will be investing heavily in exchanges and computer systems during a period when the burden of tax and dividends is relatively light.

This year, for example, there should be a modest cash inflow even after funding capital expenditure of over £2bn. By the time the tax bills start to be paid – 18 months from now – spending may be past its peak. BT looks certain to show a cash outflow of some size in 1986–87 but it is protected by a balance sheet in which net debt represents less than 40 per cent of equity and preference capital.

If BT is to be regarded as a sound alternative to index-linked stock – and that seems as good a way of viewing it as any – the key determinant of value will be the rate of dividend growth. So long as the cash flows in and out as expected, the group will have ample scope to push up dividends significantly faster than inflation. If BT makes £1.8bn pre-tax this year, a 10 per cent pro-forma increase in the dividend would be covered roughly 2.3 times by earnings taxed at 41 per cent. At last night's fully-paid price of 219p, that gives a prospective yield of 4.7 per cent, more than a match for the most competitive index-linked in the market.

Northern Foods

For the past three months, Northern Foods has been the scene of furious activity: a brewery has been sold, milk and meat businesses bought and another chunk of U.S. carpet-cleaning franchise picked up for luck. If the purpose of all this was to show a management going back on the offensive, Northern Foods has been quite successful. Although yesterday's figures for the year to March are quite as uninspiring as expected, the share price rose 12p yesterday to 252p, which values Northern Foods at 13 times reported earnings.

Not that the three acquisitions will do very much more than cover their financing costs this year. The pig price is so depressed that even Bowyers is making money now. But the full advantages of a presence in the south of England will only come through after some short-term investment. As for milk, the closure of the Express dairy in Sheffield is not proving quite as beneficial as once hoped, but at least this year will miss the margin pressure caused by the staggering of wholesale and retail price rises. Northern Foods has lately been a business more beloved of stockbrokers than of the institutions that watched it underperform for four years. But estimates of recovery profits over 25 per cent up on the latest year's £55m do not seem excessive.

That sort of growth might justify a premium rating of more than a point to the blue chips of the sector on prospective earnings. But projecting this growth record further out requires considerable faith in Northern Foods' U.S. acquisition policy. Although the magnificent price gained for the brewery sale and the usual cash generation will see net borrowings down to under a third of equity by the end of the year, Northern Foods will certainly not rush in headlong: the blood-letting in the U.S. slaughtering business has left it a humbler and wiser animal.

Powell Duffryn

Powell Duffryn's escape from the clutches of Hanson Trust seemed uncertain right up to the end of the takeover battle. Once it had got away, however, shareholders had little in the way of uncertainty to worry about; profits had been forecast – twice for good luck – and the dividend had been protectively bumped up to a point where it could keep yield funds happy (with a 7 per cent return at yesterday's 285p share price). The recent strength of the shares suggests that some investors gave Powell credit for holding something in reserve to beat its own best forecast; if so, the reserve is still available for later use since pre-tax profits for the year to March were only a shade above the £20.5m forecast. As things stand, there should be some fairly automatic improvements to come in the current year: over £2m can presumably be added back for non-recurrence of the miners' strike, and nearly £1m should be gained by taking the hatchet to a top-heavy management in the timber business. With less aggressive capital spending, after the plunge into bulk liquid storage, borrowings should start to fall back from the present 50 per cent net gearing, which should in turn allow more earnings to come through from the expanded capital base. But it might be hard for Powell to deliver more than 10 per cent growth: on that basis a prospective multiple of 10 is asking rather a lot – perhaps enough to keep the corporate wolves away.

Ten warn on trade talks

Continued from Page 1

Californian citrus growers, has already complained to Gatt.

However, the EEC has not accepted the findings of a Gatt panel that the Community should offer some alternative tariff compensation.

The ministers insisted that the EEC's Mediterranean preference – currently being adapted because of the forthcoming Community membership of Spain and Portugal – was compatible with Gatt provisions. The arrangements were not designed to promote EEC exports or secure other advantages, but to assist the development of the Mediterranean countries, they said.

The ministers said any U.S. action would be "particularly ill-timed" at a time when efforts were being made to start a new Gatt round of multilateral trade negotiations.

Officials in Brussels believe that President Reagan could still postpone his decision, in the light of a visit to Washington next week by Mr Frans Andriessen, the European Agriculture Commissioner, for talks

The European Commission has indicated that it would be prepared to consider making some alternative gesture in favour of other Californian exports to the Community, to defuse the dispute.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	25	77	Dubrovnik	S	23	73	Malaga	S	30	86	Salzburg	S	22	72
Akrotiri	S	27	81	Faro	S	22	72	Malta	F	26	79	Seoul	F	29	84
Algiers	S	29	84	Florence	F	23	73	Manila	R	32	90	Singapore	F	31	88
Amsterdam	R	17	63	Frankfurt	F	21	70	Miami	F	31	88	Stockholm	F	21	70
Athens	S	27	81	Funchal	S	21	70	Milan	R	19	66	Strasbourg	F	22	72
Bahrain	S	39	102	Geneva	R	14	57	Moscow	F	18	64	Sydney	C	18	64
Bangkok	C	31	88	Gibraltar	F	25	77	Munich	S	20	68	Taipei	C	29	84
Barcelona	F	25	77	Guernsey	F	15	59	Nairobi	F	20	68	Tangier	F	24	75
Beirut	S	29	84	Helsinki	S	21	70	Naples	F	26	79	Tehran	–	–	–
Belgrade	F	19	66	H. Kong	C	26	79	New Delhi	S	36	97	Tel Aviv	S	27	81
Berlin	F	19	66	Innsbruck	F	21	70	New York	C	27	81	Tenerife	C	23	73
Biarritz	R	17	63	Inverness	S	14	57	Nice	C	21	70	Tokyo	R	21	70
Blackpool	S	15	59	Istanbul	F	20	68	Oporto	S	20	68	Toronto	C	21	70
Bordeaux	F	18	64	Jersey	F	15	59	Oslo	F	21	70	Tunis	S	32	90
Brussels	F	17	63	Jo'burg	F	19	66	Paris	C	17	63	Valencia	C	25	77
Budapest	F	19	66	Las Palmas	F	23	73	Prague	S	19	66	Venice	F	21	70
B. Aires	C	12	54	Lima	F	21	70	Reykjavik	F	12	54	Vienna	S	17	63
Cairo	S	32	90	Lisbon	S	21	70	Rio de J'o	C	27	81	Warsaw	F	19	66
Cape Town	F	17	63	Locarno	D	14	57	Rome	F	25	77	Zurich	F	19	66
Caracas	C	27	81	London	C	15	59								
Casablanca	C	23	73	Los Angeles	S	26	79								
Copenhagen	F	17	63	Luxembourg	F	17	63								
Corfu	S	26	79	Madrid	S	27	81								
Dublin	F	15	59	Majorca	C	23	73								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

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SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday June 20 1985

Asea to form new finance company

By David Brown in Stockholm

ASEA, the Swedish electrical engineering and electronics group, is to form a new wholly-owned financial services subsidiary to take over management of its rapidly-growing liquid assets.

The group will become another major corporate participant in the Swedish capital and money markets, following a similar move by the Volvo motor vehicle group earlier this year.

The company, Asea Kapitalforvaltning, will have a share capital of SKr 100m ($11.4m). Mr Percy Barnevik, the group's managing director said: "As a result of the group's substantial liquid assets and major foreign exchange business, our net financial income represents an increasingly important part of our total earnings."

Asea currently has liquid assets of some SKr 7bn.

Mr Jan Roxendahl, now head of Asea's central treasury operations, will become president of the new local-based subsidiary.

Setback for Swedish forest product group

By Our Stockholm Staff

STORA KOPPARBERG, the Swedish forest products group, said profits after financial costs during the first four months ending April declined by SKr 100m ($11.3m) to SKr 444m, and warns that full-year results will be "significantly worse" than the SKr 1.27bn achieved in 1984.

The group became the European industry leader late last year through its acquisition of Billerud, one of its major domestic rivals. The company blamed the decline on low capacity utilisation, mainly in its sawn timber operations and the North American business.

Sales for the four months advanced by an adjusted 8 per cent to SKr 4.5bn.

Penser to sell Kinnevik stake

By Our Stockholm Staff

MR ERIK PENSER, the Swedish financier, is to sell his 77,500 shareholding in the Kinnevik investment group in a deal valued at SKr 465m ($52.8m).

Mr Penser's wholly-owned investment company, Yggdrasil, which controls 27.6 per cent of the shares and 5.1 per cent of the voting power in Kinnevik, is to offer Kinnevik shareholders an option to buy the stocks at SKr 600 each over a three-year period.

Krupp may have to repay DM 14m in state aid

BY PETER BRUCE IN BONN

THE WEST GERMAN Economics Ministry is considering whether to demand repayment of up to DM 14m ($4.62m) in state subsidies paid to the Theodor Wuppermann steelworks following the decision last month by the works' parent, Krupp Stahl, to close it down.

The closure of the medium strip works near Leverkusen is Krupp Stahl's contribution to a rationalisation plan designed to proceed a merger between it and another major West German steelmaker, Klöckner Werke. A demand for the repayment of the subsidies would add a further complication to the merger plans, which have become bogged down in political difficulties since they were announced last October.

These centre mainly on strong opposition from the state government in Lower Saxony to Klöckner's plans to close a works there, with the loss of 2,000 jobs. A parliamentary spokesman for the Economics Ministry said yesterday a final decision on the Wuppermann subsidies – the plant has received DM 9m from Bonn and DM 5m from the North Rhine Westphalia authorities – would depend on how many of the 1,000 threatened workers in Leverkusen could be found jobs elsewhere in the steel group.

The merger, in which the Australian minerals concern, CRA, is due to take a 35 per cent share, and which would create the second largest private steelmaker in Europe, is estimated to have been delayed by at least a year because of Klöckner's difficulties in Lower Saxony.

TransCanada chief quit 'after letter'

BY BERNARD SIMON IN TORONTO

TRANSCANADA PIPELINES, one of North America's leading gas pipeline operators, said yesterday that "serious allegations" in an anonymous letter sent to the company contributed to the sudden resignation last weekend of its president and chief executive officer Mr Radcliffe Latimer.

TransCanada's chairman Mr Gordon Osler said in a statement that "certain aspects of (Mr Latimer's) approach as chief executive officer prompted the recognition that there were significant philosophical differences between Mr Latimer and the board of directors. This recognition led in turn to Mr Latimer's resignation."

Although an investigation into the contents of the letter has revealed no evidence of criminal wrong doing or "improper conduct," Mr Osler told a Toronto newspaper yesterday the conclusions of a company investigation into Mr Latimer's lifestyle had surprised him. Mr Osler implied that the company is now planning to sell one or both of TransCanada's corporate jets.

News of Mr Latimer's resignation was greeted with incredulity earlier this week. He was widely regarded as a competent and popular manager. Under his direction, TransCanada's profits have more than doubled in the past six years and the company has diversified into oil and gas production. Sales totalled C$4.2bn in 1984, with earnings of C$266m.

The company initially said that Mr Latimer aged 51, had resigned to pursue private business interests. A replacement has not yet been announced.

Government approves Carbonell aid plan

BY DAVID WHITE IN MADRID

A HARD-FOUGHT takeover battle involving the control of Spain's important edible oils industry is close to being resolved through a government aid plan enabling the second-largest company in the sector, Carbonell, to remain in Spanish hands.

The plan approved by a government committee involves a Pta 4.5bn ($26m) loan to a joint Spanish company, Aceites Espanoles, so that it can beat the original Pta 4.4bn bid by the French Lesieur group.

Lesieur's deal with the current owners, Banco Hispano Americano, to buy all Carbonell's stock coincided with a plan to assume control of the number one edible oils producer, Koipe, in which it already has just under 30 per cent.

The French group finally received government approval in February to build up its stake in Koipe to 63 per cent after a settlement with other shareholders. But the takeover of Carbonell, which is the leading Spanish refiner of olive oil, has been held up since last June, with the Agriculture Ministry pressing to protect national interests.

Elf expects profits slide at half-year

BY PAUL BETTS IN PARIS

FOR ELF Aquitaine of France the youngest of the large international oil companies, the group's shiny new glass skyscraper dominating the skyline of the business district of La Defense at one end of Paris has more than a practical purpose. The imposing U.S.-style headquarters built like a Hyatt Hotel is an undisguised and brash symbol of the French state-controlled group's image of being the country's largest and most profitable enterprise.

From the 46th floor of his new building, M Michel Pecqueur, Elf's chairman, and other senior executives appeared quietly confident of the future despite the current turmoils which the oil industry is undergoing. But after an especially good year in 1984, M Pecqueur said the going was more difficult for Elf this year.

Earnings in the first half of this year are expected to be lower than in the first half of 1984. For the first six months, profits will total FFr 3.2bn ($342m) compared with earnings of FFr 4.5bn in the same period the previous year. The lower earnings reflect a worsening in refining and petrol retailing losses, a more difficult environment for Elf's large chemical operations, which showed a small profit last year but reported a small loss in the first half, and a slowdown in earnings from Elf's U.S. interests including Texasgulf, the U.S. phosphate and minerals group it acquired for $2.3bn in 1981.

M Pecqueur expects Elf's refining operations to end up showing another loss of about FFr 2bn this year similar to the loss in this sector last year. However, the disappointing performance of downstream operations has been compensated by improved results in the first half from upstream oil and gas production activities.

Elf will continue to invest to find new oil and gas resources and reserves to offset the decline of its giant Lacq gas field in France. On exploration alone, Elf is spending this year FFr 6.4bn compared with FFr 5.5bn last year. The group's total investments this year are expected to amount to about FFr 26bn.

The French group, which became the centrepiece of the Socialist Government's restructuring of the French chemical industry, is also pursuing the restructuring of its new chemical sector. Elf is now the 12th largest chemical group in the world as well as being the 10th largest oil group, according to M Pecqueur.

In the chemical sector, Elf is investing about FFr 1bn a year not to increase production volumes but to improve productivity and modernise its productive systems, M Rene Sautier, who is in charge of Elf's chemical, pharmaceutical and health care operations, explained. The French group is continuing to negotiate on rationalisation at a European level with other western chemical groups. "But it is a very long process although the arrival of new products from the Gulf countries will put pressure on all of us to rationalise the industry in Europe," M Sautier said.

Elf so far has made one rationalisation agreement in its chemical operations with ICI. After the small loss in the first half, M Sautier said financial performance for chemicals should improve because of the recovery in chemical prices in the past two months.

If the restructuring of the chemical sector has been achieved far quicker than anticipated – the original target was for the chemical operations to return to the black by 1986 – Texasgulf continues to be a disappointment

Elf continues to insist that the acquisition of the U.S. company will prove a long term boost to the French group. But the softness of the fertiliser and phosphate market will mean that Texasgulf will not meet the French company's earlier expectations for 1985. Elf's U.S. operations produced a cash flow of $183m for the French company last year up from $58m in 1983. Elf was hoping to do better again this year with the U.S. producing about $210m in cash flow. "We are now expecting about $170m this year," said M Gilbert Rutman, Elf's deputy chairman.

Moreover, Elf is still paying back interest on the foreign currency debt it had to raise to acquire Texasgulf. The repayments are stretched over eight years. Payments this year are expected to total $140m-$150m. Last year the payments totalled $130m and in 1983 it was $200m, according to M Bonnet de la Tour, Elf's financial director.

As the country's most profitable company, Elf has also had to play a key role in the salvage of Technip, France's financially troubled process engineering group. M Pecqueur said that there had been a real risk of Technip filing for bankruptcy.

Although Elf now wants 33 per cent of Technip, the oil group on no account wants to control or see its stake in the engineering company increased. Indeed, M Pecqueur suggested Elf would be happy to see its stake reduced if Technip could find a suitable industrial partner.

At present, Spie Batignolles, the construction subsidiary of the private Empain-Schneider conglomerate, has shown some initial interest in Technip.

The future value of the dollar and the course of oil prices are also sources of worries for Elf as for other oil groups. The French company calculates that a 75 centimes fall in the value of the U.S. dollar against the franc costs the company a consolidated loss of FFr 600m.

As for oil prices, a $1 fall in crude prices would represent a loss of between FFr 400m or FFr 600m depending on how taxes are calculated.

Another unsavoury problem for Elf is the outcome of the litigation with Sir James Goldsmith, who has brought a lawsuit against the French company over a former joint oil venture in Guatemala.

French utility plans to raise FFr 6bn in loan stock

By Our Paris Staff

GAZ DE FRANCE, the French gas utility, is planning to issue FFr 6bn in new non-voting loan stock to help the state group restructure its balance sheet weighed down by accumulated losses of about FFr 10bn since 1980.

The gas utility will be issuing so-called *titres participatifs* this summer to raise the necessary funds. The *titres participatifs* are non-voting loan stock which the socialist Government has enabled nationalised companies to issue in France to enable them to tap the securities markets.

Many nationalised groups have already issued such stock at a time when their state shareholder has been strapped for funds.

But the proposed Gaz de France issue will be the largest operation of its kind to date.

The gas utility has seen its losses grow by the Government's decision to burden the group with the additional "political" costs of France's large gas supply contract with Algeria.

In the past, this cost was borne by the French Foreign Ministry. Gaz de France also recently negotiated improved terms on a large supply contract with Moscow.

London SE listing for Rauma-Repola

BY OUR HELSINKI CORRESPONDENT

RAUMA-REPOLA, the Finnish forest products, metal and engineering group, was listed on the London Stock Exchange yesterday as a first step to a pending FM 100m ($16m) share issue, which may be launched before the end of this year.

The company is delaying the share issue largely because of recent market conditions in London and the downhill slide of Rauma-Repola's shares on the Helsinki Stock Exchange. The value of Rauma's free shares fell by 27 per cent between January 1 and June 17. In the past 12 months the drop amounted to 30.5 per cent.

A shareholders' meeting at the beginning of this year gave the board authority to launch an issue worth FM 100m targeted at foreign investors. The board has until the end of this year to make a decision but, as Rauma's chairman puts it, an extraordinary shareholders' meeting can be summoned to decide on an extension if the market conditions require it.

The purpose of the listing is to test the markets in London

Nokia to acquire MDS subsidiaries

BY OLLI VIRTANEN IN HELSINKI

NOKIA, Finland's largest privately owned company with interests in electronics, forest and rubber industries, has signed a letter of intent to buy six European subsidiaries of Mohawk Data Sciences (MDS), a U.S. manufacturer of IBM-compatible terminal systems. The subsidiaries in West Germany, France, Holland, Belgium, Sweden and Denmark have a combined turnover of $50m and employ 700 people.

The deal, if completed, would mean that MDS had pulled out of Europe. Nokia, for its part, would get a well established network of sales and service offices for its information systems. The main products are micro and minicomputers, data modems and telephone systems. Within the last few years Nokia has become the largest manufacturer of microcomputers in Scandinavia.

Nokia sees the acquisition as the fast lane to penetration of the European market where Nokia Information Systems has had a fairly modest network.

INTERNATIONAL BONDS

$ bonds move out of limelight

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

INTERNATIONAL bond markets were treated to a rush of new paper yesterday but with trading in U.S. dollar bonds volatile ahead of today's economic output figures most of the business was done in other currencies.

Commonwealth Bank of Australia launched an A$100m, five-year issue, the largest seen in Australian currency to date. Led by SBC International, Credit Suisse First Boston, Orion and UBS (Securities) the deal was particularly aimed at Swiss investors who are now reportedly buying high coupon Australian dollar issues as an alternative to U.S. currency bonds.

The deal bears a coupon of 12¾ per cent and was well-received, trading well within its 2 per cent fees on strong retail demand. Issue price is 100¼.

Similar good fortune befell First Austrian, the country's largest savings bank, when it launched an A$40m, five-year 13¼ per cent issue through Orion Royal Bank. Co-lead managers are Citicorp and First Austrian itself, and issue price is 100¾.

Dealers said the Austrian name appealed to continental European investors because it was more familiar to them than some of the other names that have appeared in this market. Commonwealth Bank also struck a positive chord because its debt is formally guaranteed by Australia whose credit has strong appeal in Switzerland.

But the success of these Australian issues may also reflect the fact that coupons on bonds in another alternative currency – the Ecu – have now fallen to levels that make it less attractive as a medium for diversifying out of the dollar.

Despite the consolidation that has hit the Ecu market recently the flow of new deals continues, provoking concern that the market may be becoming saturated. All-Nippon Airways yesterday launched an Ecu 130m, ten-year issue with a coupon of 9 per cent and issue price 100½. The deal which is guaranteed by Long Term Credit Bank is led by Paribas, alongside Algemene Bank Nederland, Deutsche Bank, Generale Bank and SBCI.

This is an unusually large issue for the Ecu market and bankers said the terms were tight. Yesterday afternoon the bonds were moving slowly, trading around the total fees of 2 per cent.

Also in the Ecu sector Korea Development Bank launched an Ecu 50m, seven-year floating rate note with a margin of ¼ per cent over six month Libor. The deal is led by Generale Bank and Banque Nationale de Paris.

Among other currencies to feature yesterday were sterling and French francs with a £75m, 15-year floating rate note for the U.K.'s Co-operative Bank bearing a margin of ⅛ per cent over three-month Libor and led by Bank of America. The market verdict was the terms were tight, though the deal may have been helped by the fact that this is the first Eurosterling floater since last month.

Sweden has become the latest borrower to tap the French franc sector with a FFr 500m issue bearing a coupon of 11 per cent and issue price par. The bond is led by BNP alongside Credit Commercial de France, Morgan Guaranty and Dresdner. It carries a 15-year maturity but is retractable after five years when the coupon can be changed. The flow of issues in this newly reopened sector is tightly controlled by the French authorities and the deal met a good reception, trading well within its 1⅞ per cent fees.

Foreign buying of higher-yielding older issues helped lift secondary market prices of D-Mark bonds by up to ¼ point yesterday, while the primary market saw its first deal of the week in the form of a DM 200m, two tranche deal for South Africa's Department of Posts and Telecommunications.

Led by Deutsche Bank the issue comprises a DM 100m five-year portion with a coupon of 7¾ per cent and a DM 100m, eight-year tranche at 8 per cent. Issue prices are 99¾ and par respectively. These are generous terms by D-Mark standards, but investor caution towards South African risk meant that the paper failed to meet universal demand though it did trade comfortably within its fees.

In a barely changed Swiss market Hanwa Co, the Japanese steel trading concern, has launched a SwFr 140m, five-year convertible placement with an indicated coupon of 1⅞ per cent and conversion premium of 5 per cent. The deal is led by Banca del Gottardo. Soditic also priced Pan Am's dual currency convertible bond yesterday. The $40m nominal, ten-year issue bears a coupon of 8½ per cent and conversion premium of 11.85 per cent. Each bond is priced at SwFr 5,000 with a redemption value of $2,000 in ten years time. The seven-year tranche of Tuesday's World Bank private placement has meanwhile been increased to SwFr 250m from SwFr 200m.

The dollar sector saw a further floating rate note with a maximum coupon, this time for Bank für Gemeinwirtschaft of West Germany. Led by Samuel Montagu alongside the borrower itself the deal bears a maximum coupon of 13 per cent and a margin of ⅜ per cent over six-month Libid, but unlike previous issues, all of which mature in 1997, it has a shorter maturity of just seven years. After the rush of such bonds over the past week, some bankers say they now detect signs of a limit to investor willingness to absorb the maximum coupon risk.

In the fixed rate sector Long Term Credit Bank launched a $100m, ten-year 10⅛ per cent deal at 100⅜ per cent which is led by its London investment banking arm alongside Bankers Trust, CSFB, Morgan Guaranty and Salomon. The deal was said to be a little tight but helped by the fact that since it is being issued directly out of Japan there is no limit on Japanese institutional purchases.

● Abbey National, the UK building society announced yesterday that it has selected Samuel Montagu to lead its first Eurobond, which will be launched when current legislative changes now in the pipeline to permit such issues have been completed. The amount and type of the deal have not yet been decided but speculation centres around the launch of a sterling floating rate note.

International bond service, Page 19

INTL. COMPANIES & FINANCE

First foreign bank venture in China

BY DAVID DODWELL IN HONG KONG

PANIN HOLDINGS, a Hong Kong-based financial group with strong Indonesian and Middle Eastern backing's, with three Chinese partners, to set up *China's first foreign joint venture bank.*

The breakthrough comes just three months after China issued rules enabling foreign banks to open branches in the country for the first time since the 1949 revolution. Initially the banks will be confined to China's four special economic zones. More than 70 foreign banks are at present represented in Peking, but their activities are *strictly limited.*

The new joint venture bank will be set up in Xiamen, in China's south-eastern Fujian province. The city is one of China's oldest trading ports and has been allowed to offer a number of economic incentives to foreign investors as one of the country's four special economic zones.

Under the terms of the deal, the bank will gain operations in Hong Kong and the Portuguese-administered territory of Macao.

Panin will have a 60 per cent stake in the bank, which is to be called the Xiamen International Bank. Its partners will be the Industrial and Commercial Bank of China, hived off from the People's Bank in 1983 to provide finance for industry and commerce, with 15 per cent; the Fujian Investment and Enterprise *Corporation,* also with 15 per cent; and the Construction and Development Corporation of Xiamen, which will have a 10 per cent interest.

The bank will have an initial paid-up capital of HK$420m (US$54m). Panin will pay only HK$72m of its HK$252m share in cash. The remaining HK$180m will be accounted for by the injection of two subsidiaries into Xiamen International Bank—Banco Luso Internacional, which is based in Macao and has 11 branches there, and Panin International Finance, a Hong Kong-based registered deposit-taking company.

The opportunity to consolidate a China-based group with operating arms in Macao and Hong Kong was seen as a major incentive for the Xiamen authorities to support the deal.

Panin, incorporated in Hong Kong in 1980, is controlled by the family and associates of Mr George M. K. Lee, an Indonesian who *until* last October sat on the board of Hong Kong's Overseas Trust Bank (OTB). OTB collapsed two weeks ago, and has been rescued by the Hong Kong Government at a potential cost to local taxpayers of more than HK$2bn. Panin is understood to have no links with OTB.

Mr Lee is an overseas Chinese whose family comes originally from Fujian—one reason for *his close* links with Xiamen, and for his interest in setting up the joint venture bank there.

Mr Thomas Lam, Panin's company secretary, said yesterday that agreement came after 16 months of discussion. The bank's main interest will be in commercial and investment banking, and will at first only involve currencies other than Chinese renminbi. It hopes to open its doors by the *end* of this year.

Under banking regulations introduced in April, it is technically possible to offer banking services to domestic depositors, but this is unlikely to be encouraged by the Chinese authorities.

Most of the bank's activity will be in the Xiamen economic zone, and will exploit Panin's links with South East Asia and the Middle East.

Completion of the deal is conditional on approval from Peking and from Panin's shareholders. An extraordinary meeting has been called for July 5.

China has clarified its accounting rules for joint ventures and foreign enterprises in a move aimed at bringing accounting practices on the mainland up to international standards, according to the Hong Kong society of accountants, AP-DJ reports from Hong Kong. It said Chinese officials had informed a delegation of Hong Kong accountants that financial statements of foreign ventures could be standardised to reflect operational results. *Adjustments to accommodate tax* law in China or in the home countries of the ventures can then be made. This would obviate the necessity of preparing two sets of accounts

Federale Volks hit by heavy exchange losses

By Jim Jones in Johannesburg

FEDERALE Volksbeleggings (FVB), one of South Africa's largest industrial investment companies, slid into the red in the year to March because of foreign exchange losses.

Turnover increased by 9.6 per cent to R1.84bn ($941.7m) from R1.68bn while operating profits fell 10 per cent to *R119.8m* from R133.1m. The directors attribute the decline to narrower trading margins.

The interest bill increased to R75.8m from R57.1m, investment income fell to R7.8m from R13.9m and the foreign exchange loss advanced to R89.6m from R1.9m. These led to a pretax loss of R37.8m against profits of R88.0m last time.

The directors say that all foreign exposure has now been covered fully and add that group borrowings have been restructured since the year-end by the issue of R60m of redeemable preference shares.

A loss of 137.4 cents a share has been incurred and no dividend has been declared. In the preceding year earnings were 72.1 cents a share and a total dividend of 38 cents was paid.

FVB is controlled by Sanlam, South Africa's second largest insurance group, where several other subsidiaries have also suffered significant exchange losses.

Groups to vie with NTT named

BY OUR TOKYO STAFF

JAPAN'S Ministry of Posts and Telecommunications is due tomorrow to license five companies which could potentially become full-fledged competitors to the state-owned Nippon Telegraph and Telephone (NTT) following deregulation measures which took effect from April.

The so-called type one telecommunications companies can *operate services by owning* circuits, operating and renting them.

There are expected to begin services between Tokyo and Osaka in the autumn of 1986. They are Daini Denden, led by the Kyocera group; Japan Telecom, headed by Japan National Railway; and Teleway Japan, which has at its head Japan Highway Corporation and Toyota Motor.

Daini Denden will use a digital microwave link for its operation, while Japan Telecom plans to lay optical fibre cables along the route of the Shinkansen "bullet" railway line. Teleway Japan is set to use optical fibre cables laid along the motorway between the two cities.

The other two are Japan Communication Satellite, a joint venture set up by C. Itoh, Mitsui, and Hughes Communication in the U.S.; and Space Communications, which links Mitsubishi Corporation and Ford Aerospace Satellite. They are negotiating with the respective U.S. partners on the specifications of the satellites they plan to use.

The two are also stepping up efforts to sell transponders on satellite to NTT, among other companies.

Initially the Ministry and the Keidanren, the country's employers' federation, had supported the idea of unifying the four ventures. This was opposed by the Fair Trade Commission and the private companies as an artificial adjustment of new entrants to the new common carrier market and was seen as contradictory to the spirit of deregulation of domestic telecommunications.

JAPANESE TELECOMMUNICATIOIS LICENCE APPLICANTS

	Capital	Main Participants	Service	Start-up	Means	Circuits
Daini Denden	Y8bn	Kyocera Ushio Electric	Telephone Tokyo-Osaka	Oct. 1986	Microwave	5,760 lines
Nippon Telecom	Y8.36bn	JNR Nippon Express	Telephone Tokyo-Osaka	Oct. 1986	Optical fibre	4,320 lines
Nippon Teleway	Y8.3bn	Japan Highway Corp. Toyota Motor	Telephone Tokyo-Osaka	Nov. 1986	Optical fibre	5,760 lines
Japan Communication Satellite	Y400m	C. Itoh Mitsui & Co.	Leasing nationwide	Feb. 1988	Satellite	—
Space Communication Corp.	Y100m	Mitsubishi Corp.	Leasing nationwide	April 1988	Satellite	—

Isuzu returns to the black

By Our Financial Staff

ISUZU MOTORS, the Japanese truck and car maker in which General Motors of the U.S. holds 34 per cent, yesterday reported a return to the black at the pre-tax level in the six months to April.

Taxable earnings for the parent company reached Y6.62bn ($26.7m) against losses in the previous half of Y7.91bn. This came on a sales advance to Y475.5bn from Y355.8bn.

The net result was still Y4.01bn in loss, although this was cut by more than a third from the previous Y12.33bn. No dividend has been paid since 1983.

Isuzu forecast profits for the full year of Y12.60bn pre-tax and Y5bn net, founded on a continuation of strong exports to the U.S. and China.

Banks agree Planters debt restructuring

BY SAMUEL SENOREN IN MANILA

FOREIGN bank creditor and local suppliers of Planters Products have unanimously approved a five-year restructuring programme for the debt-ridden fertiliser company.

Approval of the programme, drawn up by Manufacturers Hanover Trust as lead creditor, came three weeks after the Philippines signed in New York a $10bn debt restructuring package with 483 international banks.

The banks had sought the Philippine Government's support for Planter's reconstruction before committing new money, trade credits and rescheduling of maturing loans.

Mr Cesar Virata, the Prime Minister, wrote a letter of undertaking assuring creditors that the government would pay Planters' subsidy claims of 335m pesos ($18.1m) and equity funding of *200m* pesos.

The Government commitment was then embodied in the rehabilitation programme.

In turn, the foreign bank creditors — including manufacturers Hanover, Citibank and Societe Generale — agreed to restructure their loans to Planters for five years with a one-year grace period.

The foreign banks have a total loan exposure of 986.2m pesos out of Planters' estimated obligations of 1.6m pesos. The rest of Planters' debts consist of trade financing and local suppliers' credits.

The exposure of the *foreign* banks is payable in 17 equal quarterly instalments at a margin of 1¼ points over London interbank offered rate.

Under the terms of the programme, trade creditors were also asked to continue financing Planters' letters of credit and trust receipt requirements

JAPANESE RESULTS

VICTOR COMPANY OF JAPAN AUDIO ELECTRICALS

Year to	Mar'85 Y	Mar'84 Y
Revenues (bn)	765	653
Pre-tax profits (bn)	48.77	44.93
Net profits (bn)	23.35	23.21
Net per share	101.04	110.82

CONSOLIDATED

YASKAWA ELECTRIC INDUSTRIAL MOTORS

Year to	Mar'85 Y	Mar'84 Y
Revenues (bn)	158	127
Pre-tax profits (bn)	6.65	3.93
Net profits (bn)	2.75	1.51
Net per share	12.96	7.12

CONSOLIDATED

INTERNATIONAL COMPANIES and FINANCE

Cummins layoffs are bad omen for U.S. truck market

BY TERRY DODSWORTH IN NEW YORK

THE ANNOUNCEMENT by Cummins Engine, the main U.S. independent engine supplier, of 2,200 job cuts and reductions in production represents an ominous sign that the boom in the U.S. truck market is beginning to run out of steam.

Cummins' shares were hit heavily by the news, falling $5 to close at $65 on Tuesday. In early trading yesterday the shares were down a further $2⅛ to $62⅞.

The company said that it expects U.S. truck production in the second half of this year to run at an annualised rate of 110,000 units against 150,000 in the first half. It blamed a general slowdown in the U.S. manufacturing sector for reducing the volume of freight movement in the U.S.

Cummins' forecast was greeted with some scepticism by both General Motors and Ford, who have both been enjoying a bonanza year in the heavy truck market so far this year. GM said that although there were some uncertainties about economic conditions in the second half of 1985, its current plans entailed similar production rates for the rest of the year to those it achieved in the first half.

"Overall, we are looking for a very good year for heavy trucks," said GM. "We think that industry sales could be in the area of 140,000 this year."

Mack Trucks, one of the leading independent manufacturers, said that its forecasts this year were for a virtually flat or slightly reduced market.

Cummins, however, said that a "rapid reduction in demand for engines by North American heavy-duty truck manufacturers and decreasing demand for service parts," would make the job cuts necessary across the workforce over the next few weeks.

It added that it had been notified by its major customers that they were cutting build rates sharply, partly because truck operators now had a number of idle vehicles on hand and were reducing their purchases of new vehicles. "Net new orders in the first four months of 1985 were 23 per cent below the 1984 average," it said.

Cummins, which is the world's largest independent diesel engine maker, suffered from low returns in the early part of the 1980s amid the effects of the U.S. recession, but bounced back with record profits last year of $187.9m on sales of $2.33bn.

Last year's revenues compare with just $1.6bn in 1983, and reflect the strength of the U.S. heavy duty truck market, where Cummins makes about a third of its total sales.

An important factor in the recovery was the development of new products, including a 10-litre engine introduced in 1982 to strengthen the lower end of Cummins' range.

Swiss alter brokerage fees

BY JOHN WICKS IN BASLE

SWISS BANKS active in the country's securities market have agreed to a commission structure effectively cutting fees on large orders as part of an effort to remain internationally competitive.

The new brokerage fee convention, which will come into force towards the end of this year, foresees a uniform 1 per cent fee for share deals, with existing rates of between 0.625 and 1 per cent. However, the fee would be reduced on major transactions to a minimum of 0.38 per cent, with negotiated commissions on transactions exceeding SwFr 1m.

In the bond sector the standard brokerage fee would increase from the 0.375-0.5 per cent range to a rate of 0.7 per cent, though this would again fall to as little as 0.16 per cent for large transactions, and would be the subject of negotiation for deals of over SwFr 2m.

Special tariffs would apply to foreign transactions and internationally tradeable paper such as Eurobonds.

The effect of this new agreement, announced by the Association of Swiss Stock Exchanges, would be to make large transactions cheaper and small deals dearer A special base 0.3 per cent rate is foreseen for investment fund certificates.

Honeywell sees sharp profits decline

BY PAUL TAYLOR IN NEW YORK

HONEYWELL, the U.S. mainframe computer and control instruments manufacturer, warned that its second-quarter earnings will decline "sharply" from the $1.70 per share in earnings from continuing operations reported in the year-ago period, as reported in brief yesterday.

The Minneapolis-based group blamed the expected earnings decline, which sent its share price plunging, on "weakness in industrial and computer markets," and added that results from its information systems business would fall "substantially below" the very strong year-ago levels.

Honeywell's gloomy earnings estimates follow similar downward revisions by other computer makers including International Business Machines (IBM) which last week shook the equity markets by warning that its nine month earnings are unlikely to match those of last year.

The warning comes amid a gathering "crisis" in the U.S. high technology computer and semiconductor industry where sluggish demand, the strong dollar and overcapacity have forced most major market groups to lay off workers, close plants and revise earnings and sales projections.

In the 1984 second quarter Honeywell reported full net earnings from continuing operations of $79.7m but restated its earnings at year-end to adjust for losses at its discontinued Synertech semiconductor unit in December. After restatement for these losses the group reported second-quarter net earnings of $74.3m or $1.59 a share.

For the whole of 1984 Honeywell, which has been struggling to maintain its position in the U.S. computer market while emphasising factory automation products, reported net earnings from continuing operations of $334.8m or $7.14 a share on revenues of $6.1bn. After a $95.8m loss on discontinued operations Honeywell reported final 1984 net earnings of $239m or $5.10 a share.

● Standard & Poor's, the U.S. credit rating agency, has lowered Control Data's senior debt rating to BB from BB+ and the mainframe computer group's preferred stock rating from BB to B+. S & P said the move, which affects about $34m in rated securities, reflected the ending of Control Data's negotiations to sell its commercial credit financial services unit together with "weakening computer markets" which "may inhibit a return to profitability in 1985."

Sabena warns of fresh cash call

BY PAUL CHEESERIGHT IN BRUSSELS

SABENA, the Belgian national airline, signalled a fresh approach to its shareholders for new capital although it announced that for the second year running it had made a small profit.

Net profits for 1984, after the payment of interest on preference shares, were BFr 26.4m ($432,786) compared with BFr 22.5m in 1983, thus making a slight dent in the figure for accumulated losses over recent years. These losses now stand at BFr 6.69bn.

Debts on a term longer than one year rose from BFr 7bn to BFr 10.8bn during 1984. The company noted that repayments due this year amount to over BFr 3bn.

Long-term funds are inadequate and the capital base needs to be strengthened, Sabena stated.

The precise form of a new cash injection has not been settled, but it is doubtful whether the Government, engaged in its own long-term cost cutting, will welcome a demand for new funds.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for June 19.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Amex Credit 10⅞ 90	100	102⅜	102⅞	−0⅛	+0½	10.16
Amex Credit 12⅛ 88	150	107¼	107¾	0	+0¾	9.82
Bank of Tokyo 13⅛ 91	100	114	114½	0	+0¼	10.33
BP Capital 11⅛ 92	150	102⅝	103⅛	0	+0½	10.47
Caisse Nat Tele 13¾ 91	100	114½	115	−0¼	+0⅝	10.33
Canada 11½ 90	500	106⅝	107⅛	0	+0⅞	9.61
Canadian Pac 12½ 89	75	109	109½	+0⅛	+1¼	11.16
CBS Inc 11⅞ 92	100	103¼	103¾	0	+0⅝	10.65
Chevron U.S.A. 12¼ 89	500	105	105½	0	+0⅝	10.63
Coca Cola 11⅞ 91	100	108	108½	−0⅛	+0½	9.91
Denmark Kingdom 11½ 90	100	104	104½	0	+0¾	10.34
Denmark Kingdom 11½ 92	100	103¾	104¼	−0⅛	+0¾	10.62
Denmark Kingdom 13¼ 91	100	112	112½	0	+0¾	10.46
Denmark Kingdom 14 91	100	110⅜	110⅞	0	+0⅝	11.46
E.E.C. 11⅛ 90	100	103⅞	104⅜	0	+0⅝	9.99
E.I.B. 12 95	200	109	109½	−0⅛	−0⅛	10.44
E.I.B. 13 96	200	111¼	111¾	0	+0¾	11.14
Export Dev Corp 12 89	100	106¾	107¼	−0⅛	+0⅝	9.91
Exxon Capital Corp 0 2004	1800	13⅜	13⅞	0	+0⅛	10.62
Ford Motor Cred 11⅝ 95	100	102⅜	102⅞	−0¼	+0⅛	11.15
Ford Motor Cred 11¾ 92	100	104¼	104¾	0	+0½	10.78
Gen Elec Credit 10¼ 00	200	100⅞	101⅜	−0⅛	+0⅝	10.10
GMAC 10¼ 89	200	100¾	101¼	−0⅛	+0⅝	9.93
IBM Credit 10⅜ 2000	300	101⅝	102⅛	0	+0¾	10.11
IBM Credit Corp 11¾ 87	200	104½	105	−0⅛	+0⅜	9.29
Indust Bk Japan 12⅞ 89	100	109	109½	0	+0¼	10.08
Int-Am Dev Bk 12⅛ 91	150	110⅛	110⅝	0	+0⅝	10.41
Japan Air Lines 13⅜ 94	100	118⅜	118⅞	0	−0⅛	10.14
Kellogg Company 10⅞ 90	100	103	103½	−0⅛	+1	9.92
Kellogg Company 11¼ 92	100	104¼	104¾	0	+0¾	10.25
L.T.C.B. 12⅞ 91	100	110⅝	111⅛	−0⅛	+0½	10.42
Macy Cred Corp 11¾ 95	100	105⅛	105⅝	−0⅛	+0⅜	10.84
Mellon Bank 13 87	100	105⅛	105⅝	−0⅛	+1⅛	9.69
Merrill Lynch 12¾ 89	100	105⅞	106⅜	0	+0½	10.85
Minnesota 11½ 87	100	103⅜	104⅛	−0⅛	+0⅜	9.57
Mitsui Trust 11⅝ 90	100	104⅛	104⅝	0	+0½	10.46
Montagu 13¼ 91	100	108¾	109¼	−0⅛	+1	11.13
Morgan Guaranty 12⅛ 89	150	107¼	107¾	−0⅛	+1	10.10
Nippon Cred Bk 13⅞ 89	100	111¼	111¾	+0⅛	+0⅝	10.26
Nth America 12⅞ 91	100	† 105¼	105¾	−0¼	+0⅛	11.24
Penney J.C. 12¾ 91	100	109¼	109¾	−0⅛	+1	10.57
Pru Realty secs 12⅛ 95	546	108½	109	−0⅛	+0⅝	10.80
Quebec Hydro 11½ 92	100	† 106½	107	+0¼	+0½	10.14
Ralston Purina 11¾ 95	150	105⅛	105⅝	0	+0⅜	10.66
Ralston Purina 12¾ 89	100	108½	109	−0⅛	+0¾	10.11
Royal Bk Can 12¾ 92 XW	100	† 102½	103½	+0⅜	−1½	12.03
Saskatchewan 10 3/4 92	100	102⅛	102⅝	0	+0⅞	10.22
Saskatchewan 11 7/8 89	100	105⅛	105⅝	0	+0½	9.98
Statoil 13½ 89	100	111¼	111¾	0	+0⅝	9.93
S Wales Trsy 11¾ 90	150	105⅝	106⅛	0	+0½	10.14
Swed Exp Cred 12¾ 89XW	100	107½	108	0	+1¼	10.36
Sweden Kingdom 10⅞ 90	200	102¾	103¼	−0⅛	+0½	10.06
Sweden Kingdom 11½ 89	200	105	105½	−0⅛	+0⅝	9.95
Sweden Kingdom 11¾ 94	100	107	107½	−0⅛	+0½	10.48
Texaco Capital 12⅞ 87	300	106	106½	0	+0¼	9.54
Tokai Asia 11½ 95	100	104	104½	−0⅛	+0⅜	10.78
Victorian Rep 11⅝ 92	150	105¾	106¼	0	+0½	10.35
Walt Disney Pro 12½ 87	150	105½	106	0	+1	9.52
Weyerhaeuser 12¼ 87	150	105⅛	105⅝	+0⅛	+0¾	9.59
World Bank 12¼ 94	150	110½	111	0	+0⅝	10.38
World Bank 12⅞ 94	200	113½	114	−0⅛	+0⅜	10.46

Average price change On day 0 on week + 0½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Asian Dev Bank 8 94	200	† 103⅛	103⅝	+0⅛	−0¼	7.47
Austria Republic 7⅝ 94	200	† 102¾	103¼	+0¼	+0¼	7.14
Baxter Travenol 7¼ 94	200	† 102	102½	+0⅜	0	6.89
Credit National 8⅛ 94	200	† 104⅝	105⅛	+0⅜	+0⅛	7.33
Degussa Int Fin 7½ 94	100	† 103¾	104¼	0	0	6.85
E.E.C. 8 92	200	† 103⅞	104⅜	+0¼	+0⅛	7.18
E.I.B. 7¾ 94	300	† 100	100½	+0⅛	+0¼	7.29
Escom 8 92	150	† 100	100½	+0⅜	+0½	7.94
Ferrovie Dello Stato 8 91	100	† 103⅛	103¾	−0½	0	7.23
Finland Republic 7 92	200	† 99	99½	0	−0⅛	7.14
Gould Int Fin 7⅝ 91	100	† 103¼	103¾	0	−0⅜	6.88
Ireland 8⅛ 92	150	† 102½	103	0	+0⅛	7.59
Japan Fin Corp 7⅜ 91	100	† 102¾	103¼	+0⅛	−0⅝	7.08
Mitsubishi Hvy 3½ 89WW	300	† 124	126	+8	+5¼	−2.89
Mitsubishi Hvy 3½ 89XW	300	† 89¾	90¼	−0⅛	−1	6.56
Mitsubishi Met 3⅛ 89WW	100	† 99¾	100¾	+0¾	−0¼	3.06
Mitsubishi Met 3⅛ 89XW	100	† 86½	87	−0⅛	−0¾	6.62
Pepsico O/S Fin 7¼ 94	250	† 103	103½	+0¼	+0½	6.74
Renfe 7¾ 95	100	† 100¼	100¾	−0⅛	0	7.67
Renoum 3⅛ 90	80	† 104½	105½	−0¼	+0⅜	2.07
Reynolds O/S Fin 7⅛ 94	125	† 103	103½	+0¼	+0¼	6.98
Societe Cent Nucleair 8 91	100	† 104	104½	+0⅛	+0¼	7.11
Sth African Tran 7⅜ 92	100	† 96½	97	0	0	8.21
World Bank 7¾ 89	100	† 102	103	0	+0¼	6.93
World Bank 8 94	200	† 105⅜	105⅞	+0¼	+0⅜	7.10

Average price change On day + 0¾ on week + 0⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
African Dev Bk 6¼ 94	100	† 101¾	102¼	+0⅝	+0⅝	5.96
Asian Dev Bank 6⅛ 96	100	† 101½	102	+0⅜	−0⅛	5.99
Avon Cap Corp 5⅞ 94	130	† 99¼	99¾	+0⅞	+0⅞	5.44
Brit land Comp 6½ 99	75	†* 102½	103¾	−0½	−0½	6.21
Council of Europe 6 92	120	† 101½	102	+0⅛	+0⅛	5.70
Creditanstalt 5½ 94	100	† 98	98½	−0⅛	+0⅛	5.74
Deutsche Bk Fin 5⅜ 95	100	† 101	101½	+0⅝	+0⅛	5.20
E.I.B. 5⅞ 94	120	† 101¾	102¼	+0⅛	+0⅜	5.59
Eurofima 5 97	100	†* 98½	98¾	−0¾	−0¾	5.16
Eurofima 5¼ 96	100	†* 100½	100¾	0	0	5.17
Export Dev Corp 5⅜ 92	125	†* 100	100¼	0	−0¼	5.35
First Boston Inc 5¾ 94	60	†* 101	101¼	+0½	0	5.59
Gen Occidentale 4½ 94	80	† 102½	103	+0⅛	−0⅝	4.14
I C Industries 5⅝ 94	125	† 100	100½	+0⅜	−0⅜	5.58
Ind Fund Fin 5¾ 94	40	† 100¼	100¾	+0⅛	+0⅛	5.67
Int-Am Dev Bk 6⅛ 94	120	† 101	101½	−0½	−0⅞	5.84
New Zealand Govt 5¾ 94	150	† 102	102½	−0¼	−0⅜	5.43
N.Zealand steel 5¾ 96	70	† 98¾	99¼	+0⅛	−0⅛	5.87
Oberos Kftwk 5⅜ 95	100	†* 98½	99	+0⅜	−0⅛	5.64
Ost Donaukraft 5⅜ 95	70	† 99	99½	+0⅝	−0⅛	5.47
Ralston Purina 5⅜ 94	125	† 99	99½	+0⅛	−0¼	5.47
Santos Finance Ltd 6 94	130	† 98½	99	+0⅝	+0⅛	6.17
Tokyo Elec Pwr 5½ 93	120	† 99½	100	+1⅜	−0⅛	5.54
Tokyo Metropolis 5¼ 94	80	† 98½	99	−1⅛	−0⅛	5.42
World Bk 5¼ 94	150	† 100¼	100¾	−0⅝	−0⅜	5.67

Average price change On day + 0⅛ on week − 0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Austria Republic 7 95	30	99½	100	−0⅛	+0¼	7.03
BP Overzee 7 92	17	100½	101	−0⅛	+0¼	6.85
Fed Natl Mort 6⅞ 92	50	99	99½	+0⅛	+0¾	7.01
Finland Republic 6¾ 90	15	99½	100	0	+0½	6.91
World Bank 6⅝ 90	25	99½	100	−0⅛	+0⅛	6.68

Average price change On day 0 on week + 0⅜

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	week	Yield
Bell Canada 12¼ 97 CS	125	† 106	106½	0	−0⅛	11.25
British Columbia 12 90 CS	125	† 104	104½	−0⅛	+0⅛	10.89
Can Nat Rail 12½ 95 CS	100	† 107	107½	−0⅛	−0¼	11.23
Chrysler Cred 12⅝ 92CS	60	† 103¾	104¼	0	+0¼	11.74
Desjardins 12½ 90 CS	50	† 103¼	103¾	0	0	11.52
E.I.B. 12 95 CS	75	† 103⅛	103¾	0	+0¼	11.39
New Brunswick 11⅝ 95CS	75	† 101¼	101¾	0	−0½	11.36
N.Z Govt. 9¼ 90 ECU	100	100⅝	101⅛	+0⅛	0	9.05
N.Z Govt. 9½ 92 ECU	100	100½	101¼	+0⅛	0	9.32
Rabobank 9⅝ 95 ECU	75	103⅝	104⅜	0	0	8.99
Eurofima 7½ 92 FL	50	101	101½	0	+0¼	7.26
Philips Lamps 7½ 90 FL	100	101⅞	102⅜	0	+0⅛	6.96
Rank Xerox 8 90 FL	100	102¾	103¼	0	+0⅛	7.24
Van Lanschot 7½ 90FL	50	100⅞	101⅜	0	+0⅛	7.22
World Bank 7½ 90 FL	150	100⅞	101⅜	0	+0¼	7.21
Gaz de France 11¼ 00FF	500	† 101⅛	101⅝	+0¾	+0½	11.05
American Brands 12 95 £	40	103⅞	104⅜	+0¼	+0⅜	11.25
Amer Express 11⅜ 92 £	30	103⅛	103⅝	+0⅛	+0⅛	10.63
Australia Comm 11 92 £	40	98⅛	98⅝	0	0	11.33
BP Capital 10¾ 92 £	50	98⅛	98⅝	+0⅜	+0⅜	11.06
E.I.B. 11⅛ 93 £	50	100⅛	100⅝	+0½	+0½	11.03
Inco 12¾ 93 £	50	103	103¾	+1¼	+1¾	12.01
Mcdonalds 10⅞ 90 £	40	99	99½	+0¼	+0½	11.06
Norsk Hydro 11⅝ 91 £	50	101⅞	102⅜	+0⅛	+0⅛	11.07
Privatbanken 11⅛ 92 £	20	99¾	100¼	+0⅛	+0⅛	11.65
Rank Xerox 11 92 £	40	98½	99	+0⅛	+0⅜	11.25
Royal Trustco 11¾ 90 £	30	99¼	99¾	0	−0⅜	11.49
Sier Drug Cap 10⅞ 90 £	30	98¼	98¾	+0¼	+0¼	11.27
Swed Exp Cred 11⅜ 92 £	50	100⅜	100⅞	+0¼	+0⅛	11.21
Tsthouse Forte 11⅛ 90£	50	97¾	98¼	+0⅜	+0½	11.67
World Bank 11¼ 95 £	100	100⅞	101⅜	+0⅝	+0⅞	11.05
E.C.S.C. 10½ 94LF	100	104⅞	105⅞	0	−0½	9.58
Nat Lux Alum 10½ 92 LF	600	106	107	+0⅛	+0⅝	9.21

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
B.B.L. Int 5 99	0⅛	100⅝	100⅞	11/10	9⅝	9.55
Banco di Roma 5¼ 92	0	100	100¼	24/6	7.98	7.97
BankAmerica O/S 5¼ 95	0⅛	100	100¼	28/6	8.81	8.80
Bank of Montreal 5 96	0⅛	100¾	101	29/7	8¾	8.67
Bankers Trust 5 2000	0	99⅞	100⅛	11/6	9.81	9.81
Bankers Trust 5¼ 96	0⅛	100⅛	100⅜	13/8	8.56	8.54
B.F.C.E. 5¼ 99	0⅛	100⅝	100⅞	13/9	10.06	9.99
B.N.P. 5¼ 96 (July)	0¼	100⅛	100⅜	22/7	9⅛	9.10
C.C.F. 5¼ 97	0	99⅝	99⅞	22/8	10⅝	10.65
Chase Man'tn 5¼ 2009	0⅛	100	100¼	5/6	9.69	9.68
Citicorp O/S 5¼ 96 Sep	0⅛	100¼	100½	19/12	11.19	11.15
Credit Lyonnais 5¼ 96	0⅛	100⅝	100⅞	11/10	9.69	9.62
Dresdner Fin 5¼ 89	0	100	100¼	25/5	9⅜	9.36
Ireland 5¼ 97	0	100½	100¾	26/10	9.69	9.63
Ireland 5¼ 99	0	100⅝	100⅞	14/9	10	9.93
Italy, Republic 5 94	0¼	100¼	100½	12/11	8⅞	8.84
Lloyds Euro 5 2004	0⅛	100¼	100½	18/10	9⅛	9.09
Midland Int Fin 5 99	0⅛	100½	100¾	6/9	10.44	10.37
Nat West - Perp 5 89	0⅛	101	101¼	13/11	9⅛	9.02
Queensland Coal 5¼ 96	0¼	100⅝	100⅞	12/11	9	8.93
Roy Bk Scot 5¼ 2005 £	0	99⅛	99⅜	2/8	12.81	12.91
Societe Gen 5¼ 95	0	† 100¼	101	12/10	9½	9.42
Sweden Perp 5¼ 85	0¼	100⅛	100⅜	9/7	9.44	9.41
Tokai 5¼ 99	0⅛	100½	100¾	12/6	9.94	9.88
Toyo 5¼ 99	0⅛	100⅝	100⅞	[illegible]	9.81	9.76

Average price change On day 0 on week + 0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1053.64	95⅝	96⅝	−0¾	−0.57
Fanuc 3¾ 98	1/84	7032.3	140⅛	141⅝	−0¾	36.28
Fujitsu 3 99	5/84	1320.9	80⅞	81⅞	−1¾	12.94
Kumagai Gumi 3½ 2000	3/85	600	115	116	−0½	3.07
Marui 3½ 99	7/84	1162	100	101	+0¼	−0.60
Mitsubishi Elec 2⅞ 00	3/85	427	93¾	94¼	+0⅝	−2.38
Murata 3½ 99	2/84	2351.2	94	95	+0⅛	25.96
Murata 3½ 2000	7/84	2398	92⅞	93⅞	+0⅞	27.88
Nippon Elec 2⅞ 2000	1/85	1395	82¼	83¼	−2	22.67
Nippon Oil Co 3 2000	5/85	923	108⅛	109⅛	−0⅝	−2.68
Nippon Oil Co 3¼ 99	3/84	1052	95½	96½	−0⅛	6.51
Oki Elec Ind 3½ 99	10/84	805	88⅞	89⅞	−0½	29.25
Orient Leasing 5¼ 98	6/83	2590	108¼	109½	+1½	−3.51
Sekisui House 3 99	6/84	612	111⅜	112⅜	0	0.42
Sony Corp 2 2000	5/85	4578	86⅞	87⅞	−0⅞	0.98
Sumitomo Corp 2⅞ 99	5/84	593	126	127	+0⅛	0.11
Taiyo Yuden 3¼ 2000	3/85	1078	85¼	87	−1¼	−2.85
Takeda Riken 3⅛ 2000	10/84	7663	81⅞	83⅛	+0⅜	25.06
Tokyo Sanyo Elec 3½ 99	12/84	772	88½	89½	−0¾	−1.44
Toshiba Ceramics 3 2000	4/85	1734.2	81⅝	82⅝	−1¼	8.94
Nippon Oil Co 2⅞ 92 SF	3/84	1052	† 108½	109	+5⅛	4.67
Nippon Shinpan Co 2 92 SF	3/84	801	† 103¼	106	−1⅝	14.09
Settsu Paper 2¼ 92 SF	4/84	677	† 134	136	+1	1.75
Ascs 5 92 DM	12/83	520	108¼	109½	+0½	27.32
Sum Realty 6¼ 92 DM	2/83	338	† 293	295	+16	2.45

* No information available-previous day's price.
† Only one market maker supplied a price

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. = current coupon. Cr. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

UK COMPANY NEWS

Market reaction; shares fall 5p as analysts downgrade forecasts for current year

BT in line with expectations at £1.48bn

BT IN LINE WITH EXPECTATIONS OF £1.48BN — isS British Telecom has declared pre-tax profits of £1.48bn in its first annual results since privatisation last year, £130m more than the minimum figure predicted in the prospectus.

The profits were in line with expectations and represented a 24 per cent improvement on the previous year on a comparable basis. BT shares fell after the results to close at 179p, down 5p, as some analysts downgraded forecasts for the current financial year.

Negative factors included higher than expected increases in costs, the likelihood that BT will have to improve its 6.75 per cent pay offer, and the vulnerability of its very high profits in international telecommunications. On the other hand, telephone traffic and exchange connections have shown strong growth, and BT will benefit from a higher increase in RPI at the end of June. This affects the amount it can increase tariffs.

Turnover for the year ended March, 1985, of £7.65bn was up by 11 per cent on the previous year and was the result of an 8 per cent increase in volume. The pre-tax profits of £1.48bn were sharply higher than the £990m reported last year. These included a number of special factors mentioned in the prospectus, including a reduction in pension contributions, ending of special depreciation and lower interest charges from the new capital structure.

Sir George Jefferson, chairman of BT said: "British Telecom has achieved improvements in efficiency and in the quality and range of its products and services, significantly enhancing its profitability through growth in the volume of its business."

BT's international business, which is beginning to face some competition from Mercury, part of Cable and Wireless, is still highly profitable. Profits of £450m on international calls represent 24 per cent of BT's operating profits. Turnover from international business was £1.49bn which includes receipts from overseas administrations. Payments to overseas administrations were £618m, a figure broadly similar to the receipts of £601m, but not deducted from turnover.

Operating costs in the last quarter of the financial year rose almost 10 per cent—as they did in the previous three months—although the full-year figures were only 8 per cent higher. Staff costs rose by 5 per cent while the number of employees dropped by 6,000, about 2.7 per cent.

Other operating costs rose by £220m (15 per cent). The main reasons for the increases in costs were greater expenditure on marketing and advertising, and expenditure on a new customer services and management system which is likely to continue for another two years.

Sir George said he expected the rate of decline in the number of employees would slow over the next two years while the new customer information systems were installed.

The number of exchange lines for business use rose by 4.3 per cent and for residential customers by 3.4 per cent. Telephone call income, which accounts for more than half BT's turnover, rose 12 per cent. The volume of inland calls rose by 8 per cent which BT said reflected Britain's emergence from the recession.

BT's huge capital expenditure programme rose to £1.86bn compared with £1.53bn in the previous year. The figure includes about £150m in pre-payments, reflecting a change in accounting practice. Expenditure on digital exchange equipment such as System X was £172m compared with £39m last year. The chairman predicted that capital expenditure would rise by £150m to £200m in the current financial year.

Net interest costs for the year fell by £149m of which £110m was a result of BT's new capital structure. The remainder was because of lower borrowings and higher interest received. Total borrowings at the year end were £3.36bn, a reduction of £152m from the beginning of the year. Gearing was reduced to 42 per cent.

As predicted in the prospectus BT is to pay a single dividend of 3.9p payable on August 27 and will cost £234m. Had the company been quoted for the full year and paid full dividends the yield would have been 4.1 per cent on the basis of BT's closing price on Monday. BT says the dividends would have been covered 2.3 times by its earnings of 15.1p per share.

The company has made a £535m provision for deferred taxation, the first time it has had to do this. The deferred tax represents a 36 per cent charge on pre-tax profits. Mainstream corporation tax will be paid for the first time in January 1987 for profits in the year ending March 31, 1986.

See Lex

Sir George Jefferson, chairman

Scapa paying £17m for United Wire

By Alexander Nicoll

Scapa Group, manufacturer of specialist products for the paper industry, yesterday reported a 46 per cent rise in full-year profits and launched an agreed £17.2m offer for United Wire Group, a maker of wirecloth and non-ferrous rods and wires.

The bid, if successful, may use up half of the £20m raised by the fast-growing Scapa through a one for six rights issue in April. It is making a rapid series of acquisitions, including the purchase in April 1984 of United Wire's South African subsidiary, Star Screens, for £1.5m.

Scapa shares fell 13p to 412p on yesterday's news. It is offering one share plus 435p in cash for every four United Wire shares, valuing each of the target's shares at 212p. United Wire, which disclosed an approach at the end of May, added 8p yesterday to 201p. There is an underwritten cash alternative offer at 203.75p per share.

Scapa's pre-tax profits, boosted by several acquisitions rose to £27.7m in the year ended March 31 from £18.9m in the previous year, with turnover rising from £125.8m to £168.5m. Tax took £12.9m (£8.3m), minorities £279,000 (£120,000) leaving £14.5m (£10.4m) attributable to shareholders.

Earnings per share rose from 32.6p to 44.3p, and the final dividend is increased to 7.3p (6p) making a total of 11p (9.15p).

More than half of Scapa's existing business is in the U.S., but the balance will be restored somewhat by the acquisition of United Wire, which is based in Edinburgh and operates almost entirely from Scotland.

Scapa's U.S. operating profits rose to £22.9m (£16.4m) against UK profits of £5m (£3.4m) in the year to March.

Mr William Goodall, managing director of Scapa, based in Blackburn, Lancashire, said United Wire would fit in with Scapa's policy of providing technical consumable products with high added value to industry. The two companies both supply specialist fabrics to the paper industry. In addition to its wire and wirecloth business, United Wire makes mud-screening machinery for the offshore oil industry.

United Wire has had fluctuating profits, but has improved its gearing recently through the sales of the South African subsidiary and of a U.S. oil service subsidiary.

M & G Investment Management controls 22 per cent of United Wire, and Scapa holds 3.4 per cent. Lazard Brothers is advising Scapa and Robert Fleming is acting for United Wire.

Northern Foods ends 'most difficult year' with small increase

MR NICHOLAS HORSLEY, the chairman of Northern Foods, said yesterday that the 1984/85 year witnessed "perhaps the most difficult trading conditions we have faced for a decade."

Following a reduction in profits at halfway, the group was able to finish the year with a small increase in profits before tax, up from £53.3m to £55.4m. This was in line with analyst's forecasts, but the shares moved ahead strongly to end the day at 252p, up 12p.

The main problem was the UK, where only the milling and baking division showed a rise at the operating level. The two biggest earners—dairy and meat products—both showed a fall in profit. Progress in the U.S. was mainly due to currency gains.

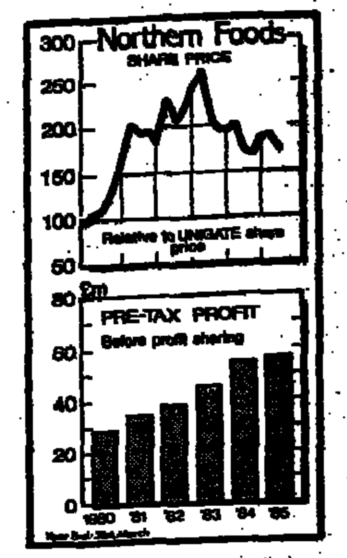
On the plus side, Mr Horsley sounded a more optimistic note for the current year. The group has been involved in three major transactions in the UK since the end of March, with the overall effect of increasing its interests in dairy and meat products and divesting itself of its brewing operations.

The chairman said that these developments, combined with improved trading in the UK and further progress in the U.S., would provide sound growth in profits this year. He added that the first few weeks of trading were better than budget and comfortably ahead of the comparable term.

The final dividend for the 1984-85 year is lifted by 0.5p to 5p per share for a total of 7.25p (comparable 6.75p). This is well covered by earnings up from 18.72p to 19.26p.

Group turnover slipped from £1.3bn to £1.27bn, with the largest contribution from meat products in the U.S. at £460.9m, though this was down from the previous year's £580.9m. All the UK divisions showed advances in sales, but only in meat products was the increase significant at 2 per cent.

Operating profits came out £2.2m higher at £59.9m, with U.S. meat products and UK milling both showing increases of £1.8m. Other U.S. activities — which take in distribution services for the McDonalds chain and carpet cleaning — were static at £4.8m.



Related companies added slightly more at £3.8m (£3.4m), and investment income was also up, from £8.4m to £9.9m, but both were wiped out by higher interest costs of £16.7m against £14.7m. The tax charge was roughly the same at £13.9m (£13.4m), for net profits of £41.5m (£39.9m)

There was an extraordinary debit of £34.4m last time, reduced to £0.8m for 1984-85, so the company's bottom line was much healthier, with £24.4m retained profits (loss £9.5m), even after allowing for the higher dividend of £15.3m (£14m).

The chairman said that new investment in the period unedr review amounted to £45m, and that expenditure in the current year would be similar.

The balance sheet shows a sharp rise in borrowings, up from £127.1m to £196.9m, for net gearing increased to 49.4 per cent (27.6 per cent).

The chairman said that the group has virtually completed the reorganisation of Bluebird Inc — renamed Prestige Foods Corporation — through the disposal of Patrick Cudahy and the withdrawal from all hog slaughtering. The provisions made in 1984 proved adequate.

See Lex

DIVISIONAL PERFORMANCE ANALYSIS

	1984-85 UK	1984-85 U.S. £m	1984-85 Total	1983-84 UK	1983-84 U.S. £m	1983-84 Total
TURNOVER						
Dairy	293.9	—	293.9	286.0	—	286.0
Meat	153.9	460.9	614.8	126.4	580.9	707.3
Milling	137.7	—	137.7	134.7	—	134.7
Brewing	22.7	—	22.7	21.9	—	21.9
Other	18.0	185.3	203.3	17.3	134.8	152.1
	626.2	646.2	1,272.4	586.3	715.7	1,302.0
OPERATING PROFIT						
Dairy	20.1	—	20.1	20.7	—	20.7
Meat	10.6	12.7	23.3	11.0	10.9	21.9
Milling	9.4	—	9.4	7.6	—	7.6
Brewing	2.0	—	2.0	2.3	—	2.3
Other	0.3	4.8	5.1	0.4	4.8	5.2
Total	42.4	17.5	59.9	42.0	15.7	57.7

Debenhams has plans for counter-bid

Debenhams, the stores group facing a £475m takeover bid from Burton, confirmed yesterday that it is trying to organise a friendly consortium which might launch a counter-bid for the company, should this become necessary.

However, its first line of defence against the bid remains a conventional one, and the company is expected to forecast a big increase in profits this year when it unveils its defence documents today or tomorrow.

Kleinwort Benson, which is organising Debenhams more unconventional defence strategy, has put the group's original idea of a management buyout on the back burner, favouring instead a consortium bid. A management buy-out would involve a far greater sale of group assets than is likely to be needed with the consortium approach.

Kleinwort is believed to have organised the broad framework for a consortium bid, though the potential participants have not ben fixed.

Among those believed to have been approached are Harris Queensway, the furniture and electronics group which already has joint companies with Debenhams and a shareholding of 4 to 5 per cent in the group.

Others who could be invloved include Mr Gerald Ronson's Heron International, which holds a similar stake in Debenhams and could be interested in developing some of its properties.

However, there appears to have been little to no discussions with rival stores group House of Fraser, which yesterday announced that it had increased its stake in Debenhams to 7.24 per cent.

Waddington achieves bid defence forecast

John Waddington has matched the £5.7m full year profit forecast made during its successful defence against the takeover move by Mr Robert Maxwell last December.

The taxable result, up 70 per cent on the previous year's £3.37m, was achieved through growth in all three main divisions — packaging, business forms and security, and games.

"Against the background of difficulty for manufacturing industry this is a very good result," says Mr Victor Watson, the chairman. Shareholders are set to receive a 12p final dividend, lifting the total by 50 per cent to 24p. Earnings per share were 13.6p higher at 57.6p.

He says that Plastona had a good year, improving its productivity and quality, and excellent progress was made with polyester trays which suit both conventional and microwave ovens.

Capacity, which is being expanded, is largely committed to supplying a customer in the U.S. A North American licensee, Innopac Corporation, has been signed up which Waddington's expect to get into production by the end of the year.

Last August the company used the £5.2m proceeds of a rights issue to acquire the House of Questa and to support investment in business forms, security printing and plastic packaging.

House of Questa, a speciallist in the production of postage stamps, had a successful year. While it continues to operate as a separate trading business, its activities are co-ordinated with those of Waddington Security Print, a new company formed during the year.

Total group turnover during 1984-85 amounted to £77.62m, up from £54.28m, generating operating profits of £6.65m against £4.14m. Interest charges rose from £771,000 to £912,000.

The cost of defending the unwelcome offer from BPCC came to £340,000 (£208,000), shown as an extraordinary charge, and there were also £548,000 relocation and reorganisation costs.

• comment

John Waddington's profits and dividend are exactly as forecast last November when the group was making its last ditch defence against predator Mr Robert Maxwell. Able now to breathe more easily, the company is looking to make a plastic packaging acquisition in the U.S. (an announcement may come within weeks) plus something in the self-adhesive labelling area in thet UK. With new products in both of these areas the group looks set to reap the benefits of established markets. At Vickers Business Forms, the core of the group's largest selling division, the problems of integration proved a handicap to achieving margin targets. The closure of one of three factories has had to be brouhgt forward to facilitate rationalisation. The recent acquisition of Eyre and Spottiswoode will bring valued additional business to the speciality printing division—although no expansion into the higher level security work (bank notes, bonds) is no the cards. For the current year sales of £90m are foreseen and the market is looking for pre-tax profits of £7.2m, which has the shares trading on a modest multiple of 9 (20 per cent tax charge) at 600p.

Dunlop shareholders force BTR to the High Court

BY MARTIN DICKSON

SEVERAL thousand small shareholders have prevented BTR neatly tying up its £101m agreed takeover of Dunlop Holdings, the tyre and rubber products group.

BTR's offer closed yesterday, with the group owning or controlling only 87 per cent of Dunlop's ordinary shares. This means it will not be able to compulsorily buy in the outstanding shares under Section 209 of the Companies Act. This can only be done when a bidder controls 90 per cent of its target's shares.

Instead, BTR will have to go through the more complicated and protracted procedure of applying to the High Court for permission to carry out a scheme of arrangement to acquire the balance. This is unlikely to be completed before October or November.

Dunlop had a particularly large shareholders' register and many of those who have not responded to BTR's offer are believed to be small investors who have held their stakes for many years. BTR owns or controls over 97 per cent of Dunlop's preference shares and will compulsorily acquire the rest.

Cowie to buy rest of contract hire operation

T. Cowie, the motor trading and leasing company, has agreed to buy for £1.63m from Forward Trust Group the 50 per cent which it does not already own of Cowie Financial Services, a contract hire and leasing operation.

The deal follows T. Cowie's £5m purchase last year of Hanger Investments, which brought with it a large contract hire business and four Ford dealerships. Cowie Financial Services, the company's original contract hire operation, had pre-tax profits in the 14 months to November of £1.32m and shareholders funds on November 30 of £1.49m.

Mr Tom Cowie, chairman of T. Cowie, said the acquisition from Forward Trust would mean the group was the third largest in the UK, with a fleet of 17,000.

He added that the group was considering the flotation of a separate listed company to conduct its financial services activities.

Forshaws Brewery

Profits before tax at Forshaws Burtonwood Brewery were up from £2.36m to £2.8m in the year to March 31 1985 on turnover ahead by £3.04m at £25.29m.

With earnings per share shown at 54.4p against 44.2p, the dividend for the year is raised from £9.085p to 10p per share with a final of 7.5p (6.585p).

Headlam incurs £0.1m loss

Headlam, Sims & Coggins, footwear manufacturer, incurred a pre-tax loss of £109,000 for the year to January 31 1985, against a £306,000 profit before. In view of uncertainty over this year's results there is no final dividend —a 1p net interim compares with a previous total of 3p.

Turnover increased from £4.7m to £7.72m, and the loss was struck after an exceptional charge this time of £115,000. The shares fell 6p to 35p yesterday.

The directors say the first quarter of the current year has shown an improvement over 1984.

Profits are good in R. Coggins & Sons and turnover has increased at Cotton Oxford, which has now returned to profit.

Group profits for the year, however, are totally dependent on how quickly losses at Carter Pocock (sports and general footwear wholesaler) can be stemmed.

COMPANY NEWS IN BRIEF

INTERLEASING, the vehicle leasing and contract hire company, has aranged a £13m revolving credit and term loan facility with a group of banks arranged by Citicorp Investment Bank. Participating banks are Citibank (Birmingham branch), AP Bank Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Charterhouse Japhet and Al Saudi Banque.

CONTINENTAL & Industrial Trust had a net asset value of 743p per 25p share on May 31 1985, compared with 572.8p a year earlier. Net revenue amounted to a higher £3.58m (£3.04m). The final dividend is lifted by 2p to 14p, bringing the total for the year to 20p (17p). Earnings per share are stated at 20.92p (17.71p).

ALLIED-LYONS is selling 50 per cent of Britvic to Castlemaine Tooheys of Australia for £19.5m, which will be satisfied by the issue of 6.15m new shares at A$6.1 (£3.18) each, equal to Castlemaine's record market price. The issue will raise Allied-Lyons' stake in Castlemaine from 20.9 to 24.2 per cent of its new issued capital of 146.53m shares.

WINTERBOTTOM Energy Trust says its net asset value improved from 101.9p at November 30 1984 to 109.4p at May 31 1985. The interim dividend is unchanged at 0.2p, and earnings per share rose from 0.53p to 1.17p. Gross investment income for the six-month period increased from £415,000 to £710,000. After tax of £200,000 (£107,000), the amount available to shareholders was £281,000 against £127,000.

WATSON & PHILIP (food distributor) reports pre-tax profits up from £353,000 to £458,000 in the 26 weeks to April 26, 1985. Turnover improved from £44.54m to £54.69m, an increase of 23 per cent. The major increase in both turnover and profit came in the cash and carry division, which benefited from the expansion and upgrading of facilities during 1983-84. There were extraordinary debits of £266,000 (£17,000). The interim dividend is increased from 1.5p to 1.7p net. The directors are confident that the second half will see continued trading gains.

REED PUBLISHING Holdings, a subsidiary of Reed International, made £40.3m in pre-tax profits for the year to end-March 1985, against £42.7m, on turnover down from £675.7m to £473m. Earnings are shown as 20.6p (16.2p) per £1 share. An extraordinary credit of £51.8m (£6m) includes the profits on disposal of Mirror Group of £53.1m, and London and Provincial Poster Group of £4.6m, in addition to disposal losses amounting to £4.8m.

YEARLING BONDS totalling £7.3m at 11 15/16 per cent, redeemable on June 25 1986, have been issued by the following local authorities. Midlothian District Council £1.25m; Mendip DC £0.5m; Ogwr Borough Council £0.55m; South Buckinghamshire DC £0.25m; Taff Ely BC £0.5m; West Lancashire DC £0.25m; Dartford BC £0.4m; Islwyn BC £0.5m; Chester-le-Street DC £0.5m; Cumnock & Doon Valley DC £0.5m; Newcastle-upon-Tyne (City of) £2m.

Over-the-Counter Market

High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
146	123	Ass. Brit. Ind. Ord.	143	−2	6.6	4.4	7.9	9.4
151	135	Ass. Brit. Ind. CULS	140xd	−1	10.0	7.1	—	—
77	49	Airsprung Group	49	−1	6.4	13.0	5.4	6.4
42	28	Armitage & Rhodes	38	—	2.9	7.6	4.7	7.9
158	108	Bardon Hill	158	—	4.0	2.5	20.8	20.8
60	42	Bray Technologies	60	—	3.9	6.5	7.3	8.5
201	161	CCL Ordinary	183	—	12.0	7.4	4.0	3.8
152	105	CCL 11pc Conv. Pref.	105xd	—	15.7	14.9	—	—
128	10	Carborundum Ord.	128	—	4.9	3.8	6.2	9.8
88	83	Carborundum 7.5pc Pf.	83xd	—	10.7	12.9	—	—
73	46	Deborah Services	46	—	6.5	14.1	4.4	7.1
336	182	Frank Horsell	336	—	—	—	13.5	17.7
268	170	Frank Horsell Pr.Ord.87	268	—	9.6	3.6	10.8	14.1
32	25	Frederick Parker	28	—	—	—	—	—
61	33	George Blair	61	—	—	—	4.1	8.2
50	20	Ind Precision Castings	21	—	2.7	12.9	5.8	6.2
218	180	Isis Group	180	—	15.0	8.3	7.1	12.9
124	101	Jackson Group	109	+1	5.5	5.0	7.3	7.3
295	213	James Burrough	290xd	—	15.0	6.5	7.3	7.3
93	83	James Burrough 9pc Pf	90	—	12.9	14.3	—	—
94	71	John Howard & Co.	94	—	5.0	5.3	7.5	11.8
225	100	Linguaphone Ord.	222	—	—	—	8.2	8.5
100	92	Linguaphone 10.5pc Pf.	92xd	—	15.0	16.3	—	—
650	300	Minihouse Holding NV	620	−5	6.9	1.1	27.1	35.7
120	31	Robert Jenkins	67	—	6.0	7.5	—	—
60	28	Scruttons "A"	34	—	5.7	16.8	17.9	4.1
92	61	Torday & Carlisle	75	—	5.0	6.7	3.8	6.9
444	325	Travian Holdings	325	—	4.3	1.3	18.5	18.2
30	17	Unilock Holdings	30	—	1.3	4.3	14.8	21.0
104	81	Walter Alexander	102	—	7.5	7.4	7.7	11.0
247	216	W. S. Yeates	225	—	17.4	7.7	6.4	11.0

Prices and details of services now available on Prestel, page 48146

Public Works Loan Board rates

Effective June 19

Years	Quota loans repaid by EIP†	Quota loans A‡	Quota loans at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* A‡	Non-quota loans A* at maturity§
1	—	—	11¼	—	—	12¼
Over 1, up to 2	11¼	11¼	11¼	12¼	12¼	12¼
Over 2, up to 3	11¼	11¼	11¼	12¼	12¼	12¼
Over 3, up to 4	11¼	11¼	11¼	12¼	12¼	12¼
Over 4, up to 5	11¼	11¼	11¼	12¼	12¼	12¼
Over 5, up to 6	11¼	11¼	11¼	12	12	12
Over 6, up to 7	11¼	11¼	11¼	12	12	12
Over 7, up to 8	11¼	11¼	11¼	12	12	12
Over 8, up to 9	11¼	11¼	11¼	12	11⅞	12
Over 9, up to 10	11¼	11¼	11¼	11⅞	12	11⅞
Over 10, up to 15	11¼	11¼	11	12	11⅞	11⅞
Over 15, up to 25	11¼	11	10¾	11⅞	11⅞	11⅞
Over 25	10¾	10¾	10¾	11⅞	11⅞	11⅞

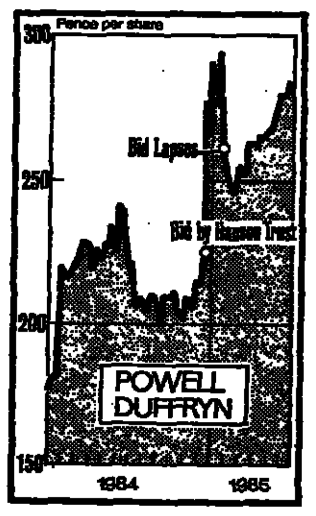
* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

Powell Duffryn meets forecast with £20.6m

Powell Duffryn, the industrial group which successfully fought off a takeover bid from Hanson Trust earlier this year, raised pre-tax profits by 12.5 per cent from £18.31m to £20.63m for the year to March 31 1985. This was in line with the forecast of £20.5m made in January.

The final dividend of 10.67p is also as projected, after allowing for the one-for-two-scrip issue. This in effect lifts the total distribution from 10.667p to 14p net. Stated earnings per 50p share increased from 23.7p to 24.8p before extraordinary items.



Group turnover rose by 11.3 per cent to £699.2m (£628.08m). Trading profits were £2.45m higher at £28.58m and included £9m (£5.5m) earned overseas. As indicated in January, the cost of the miners' strike was calculated at 2.25m net.

At the interim stage, the group reported a downturn in pre-tax profits from £6.83m to £6.05m, and said that at least in the full year, it would not suffer a proportionate fall greater than in the first half.

However, early in January, the company said action taken had succeeded in confining the major impact of the miners' strike to the first six months. As a result, it said pre-tax profits for the year would be about £19.5m. Some two weeks later, this forecast was raised by £1m following stronger demand for fuel and firmer prices.

Commenting on the 1984-85 results, Lord Sandon, the chairman, said yesterday that the past year had been an epic one for Powell Duffryn. The board had confidence in the future and in its ability to continue the strategies adopted five years ago, which first showed through in pre-tax profits up 42 per cent in 1983-84.

Taxable results for the year under review were struck after share of associates' profits up from £2.39m to £4.21m and slightly reduced interest costs of £7.95m, against £8.02m. Tax charged was £5.87m (£4.92m) which took 28 per cent (27 per cent) of pre-tax profits.

Extraordinary debits came out at £2.41m (£9.83m) and included £0.77m for the cost of fighting off Hanson's £170m bid. Reflecting the reduced extraordinary items, attributable profits were well up from £3.56m to £12.31m. Ordinary dividends cost £8.26m (£6.29m).

Distribution and storage produce the bulk of group profits and in the year 1984-85 raised their contribution from £18.51m to £19.5m, on turnover of £481.2m (£424.1m). The chairman reports that the fuel distribution companies performed well under difficult trading conditions, again producing increased profits.

The effect of the miners' strike was most evident in the shipping activities, including operations in Northern Ireland. Profit growth of the group's bulk liquid storage enterprises suffered a slight setback due to highly competitive market conditions in the U.S. and UK.

All the engineering interests continued their recovery

The chairman says it was a disappointing year for construction materials. Profits tumbled from £4.93m to £1.68m, on lower turnover of £69.4m (£74.3m) reflecting the weak state of the UK construction market.

The shares closed 2p higher at 285p.

See Lex

Caparo to claim over Fidelity acquisition

Caparo Industries said yesterday that its lawyers were preparing claims for "very substantial sums" against certain former directors of Fidelity Radio, which it took over last year, and against Fidelity's former auditors, Touche Ross.

Caparo, an engineering group headed by Mr Swraj Paul, alleged last month that Fidelity's profits for the year to March 1984 were overstated by at least £1.7m and that stocks had also been over-valued.

Yesterday Mr Paul told Caparo's annual meeting that the company hoped to issue writs in the next month. It was difficult at present to assess the value of the claims, but they would involve "very substantial sums."

Speaking to journalists after the meeting, Mr Paul said Caparo believed Fidelity was now a good business.

He said the problems with the acquisition had delayed by about 18 months his plans for Fidelity.

However, he thought that by about 1987 Fidelity should be producing the sort of returns Caparo expected from its business—that was to say, about 20 per cent of the purchase price.

CHI's £5m cash call to help pay for Banro stake

BY STEFAN WAGSTYL

CH INDUSTRIALS, which earlier this year failed in a bitterly-contested attempt to take over car parts maker Banro, is raising £5m with a rights issue of convertible preference shares.

The money will help pay for a 29 per cent stake in Banro guilt-up at a cost of £1.6m and for the £1.17m acquisition of Calnay, a privately-owned maker of polythene sheeting.

CHI, which has interests in building chemicals, car components and automotive engineering and property, also announced a 40 per cent increase in pre-tax profits for the year to the end of March to £1.45m, on sales of £22.8m.

Mr Tim Hearley, the chairman, said the main thrust of the company's expansion was in chemicals and polymers. The acquisition of Calnay, which makes sheeting for agricultural and industrial use, fitted into this plan.

Calnay, based in Rhymney, South Wales, made pre-tax profits of £359,000 on sales of £4.76m for the year to the end of October. But this profit was boosted by exceptional contracts and CHI expects Calnay's profits to be about £250,000 a year.

CHI says that after the acquisition and the rights issue, the group's net borrowings will fall to £2.7m, or 22 per cent of shareholders' funds assessed on a pro-forma basis.

The 5.25m new 7 per cent convertible cumulative redeemable preference shares of £1 each are offered at the rate of two for every seven ordinary shares held. The preference shares are convertible between 1989 and 1997 at the rate of 100 ordinary shares for every £60 of preference shares.

On full conversion, CHI's capital will be enlarged by some 32 per cent.

As forecast at the time of the Banro bid, CHI is paying an increased final dividend of 1.66p making 2.11p for 1984-85, against 1.875p. This was covered by earnings of 7.05p (7.02p).

CHI says it expects a significant increase in the level of busines during the current year from its existing activities, as well as substantial contributions from Calnay and from Banro, which is to join the group's list of associated companies.

Another associate is Aston Martin Tickford, a 50 per cent owned engineering and design company, which the group hopes to bring to the stock market in two or three years time.

Under the rules of the Takeover Panel, CHI cannot renew its bid for Banro until next April. Mr Hearley said CHI would kep the company under "continuous review." In the meantime it had considered other acquisitions, all privately-owned companies.

The issue is underwritten by Kleinwort Benson.

● comment

Like many an unsuccessful bidder CH Industrials now has to make the best of defeat. Given the company's determination to hold on to the Banro stake, despite the cost of carrying it, the chances of CHI renewing its bid in a year's time must be pretty high. In the meantime, of course, the only cash the group will see from the investment will be dividends, despite the fact that CHI plans to account for Banro as an associate company. Nevertheless, shareholders should probably bear with the company given that it has pursued its plans to expand its building, chemicals and general industrial businesses with some success over the past two years. Although there is an element of recovery in its performance, the acquisition of Calnay indicates that the group is not short of ideas what to do next. With the help of interest saving on the rights money and contributions from Calanay and Banro, there should be no earnings dilution this year despite a higher tax charge. Assuming full year profits of £2.25m pre-tax and a 20 per cent tax charge, the shares, at 52p, down 2p, trade on a prospective fully-diluted multiple of seven—which looks undemanding.

Inn Leisure forges ahead and sees further growth

THE PLANNED growth in profits resulting from the development programme at Inn Leisure Group is now being realised, says the directors. They say the expansion policy is continuing in the current year, and prospects for growth remain favourable.

The proposed legislation to allow shops to open on Sundays, and the introduction of flexible licensing hours will, in their opinion, produce increased trade.

Meanwhile, results for the six months to March 31, 1985, show that profits rose by 95 per cent from £365,000 to £711,000. Turnover of this operator of public houses and wine bars increased from £3.28m to £4.41m, a rise of 34 per cent. Operating profits were up from £439,000 to £857,000, but interest payable was higher at £146,000 compared with £74,000. First half tax was £178,000 against £144,000.

Stated earnings per 5p share of this USM company improved from 0.84p to 2.03p.

The company's properties, including fixtures and equipment, will be valued by an independent valuer at September 30 1985 and annually thereafter. Any resultant changes in value wil be dealt with by way of the valuation reserve.

As a result of this valuation policy, the company no longer provides for depreciation on its trading assets, and now charges replacement of fixtures and equipment direct to revenue.

The provision for deferred tax is no longer necessary and at the September year-end there will be an extraordinary credit in the profit and loss account for deferred tax.

● comment

Inn Leisure has quickly turned itself into one of the largest independent operators of pubs and wine bars, with 35 outlets serving over 11m pints of beer a year across its highly polished theme-pub bars. Its rapid growth is perhaps only surprising in that it has not attracted more imitators. Beer sales generally may be flat but pubs working to present a leisure-centre type image, especially with a profusion of old world dark beams, are prospering nicely. Inn Leisure has proved its ability to run pubs profitably and maintain a good level of new openings. Profits could reach £1.4m pre-tax this year with most of the growth coming from new outlets. But prospective investors might question whether the company really deserves a prospective p/e of 19 at 71p. Marketability is fairly thin and USM followers have pigeon-holed Inn Leisure as a quality stock in a sometimes risky junior market. Even so, the rating looks a touch demanding.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Anglia TV ....int	3	Aug 9	3	—	8
Continental & Ind	14	Aug 2	12	20	17
C. H. Industrials	1.66	Sept 12	1.48	2.11	1.88
Godfrey Davis	3†	Aug 16	2.5	4.5	4
Headlam Sims	nil	—	1.6	1	3
Rbt Horne ....int	1.25‡	July 27	1	—	2.5
Kenning Motor ....int	2.5	—	2.5	—	6.5
Arthur Lee ....int	0.6	Aug 6	0.3	—	1.2
Lookers ....int	1.6	—	1.5	—	4.5
Mountview	3.5	Aug 19	3.5	4.5	4.5
Northern Foods	3	Aug 23	2.5	7.25	9¶
Powell Duffryn	10.67	Aug 23	7.33*	14*	10.67*
Scapa	7.3	—	6	11	9.15
John Waddington	12†	July 27	8.5	24	16

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ For 18-month period.

UK COMPANY NEWS

Marley U.S. offshoots sold below book value

BY ALEXANDER NICOLL

Marley, the building materials group, is selling its U.S. houseware businesses, the largest of which has made losses for several years. The U.S.$25m (£19m) sale price is below book value and will produce write-offs.

A sale and lease-back deal with Courtaulds Pension Fund on some of Marley's Payless DIY retail warehouses was also announced yesterday.

CESV, a privately-owned Michigan company, has agreed in principle to buy the four U.S. companies, Ingrid Klein Plastic Products, Republic Molding and Salton. Marley will retain some of Ingrid's properties, as well as a half-share in a U.S. tile-making venture.

Ingrid, the largest of the four, was acquired in 1979 but, after one profitable year, was taken unawares by the steepness of the U.S. recession, according to Marley director Mr Michael Armstrong. A new factory into which it moved in 1981 proved larger than necessary.

The other three companies, acquired more recently, are all profitable.

In 1984, Marley's operating losses from North America — including profitable Canadian and Bermuda subsidiaries — totalled £728,000 against £829,000 in 1983. But in dollar terms they were higher than in 1983. Marley's total 1984 operating profit was £43.7m.

More recent figures for the U.S. companies, and the shortfall from book value to be taken as an extraordinary item, will be disclosed after the deal is completed, expected to be in August. The sale price comprises $15m in cash and a $10m 20-year convertible loan note paling no interest. The discount on the note will also contribute to the extraordinary item.

In a separate deal, Courtaulds Pension Fund is paying £9.13m for 12 of Payless DIY's 61 retail warehouses. Marley will lease them back for 35 years, with five-yearly rent reviews. Initially, Marley will be paying £975,000 annually, an average of £3.42 per square foot, yielding 10.3 per cent to the Fund.

Mr Tom O'Sullivan, a Marley director, said this was the first major deal of its kind arranged by the company. Most of the remaining Payless outlets are leasehold. Of the 12 now sold, half are in South East England with the others spread through the Midlands, Lancashire and South Wales. Ten are freehold and two long leaseholds.

Arthur Lee continues recovery

WITH satisfactory demand for almost all of its products, Arthur Lee & Sons has achieved £1.54m in pre-tax profits for the half year to end-March 1985, compared with £369,000.

This result, which is better than the £1.53m achieved in the whole of the previous year, represents further proof of this steel and plastics group's recovery, says Mr Peter Lee, the chairman. In 1982/83 losses of £571,000 were incurred.

In the light of the improved position the directors have doubled the interim dividend to 0.6p. Last year's total was 1.2p net. For this half earnings per 12½p share are shown substantially better at 3.54p (0.98p).

Group turnover improved by £5.79m to £38.83m, with the bulk, some £35.45m (£31.78m) contributed by steel and related products. The contribution made by Lee Bright Bars to the increased turnover was notable, the chairman says, and in consequence that company made a profit which, although leaving scope for further improvement, represented a noticeable turn-round.

The group's wire operations have been substantially restructured and the benefits are reflected in a return to satisfactory profit levels. Lee Steel Strip also made further good progress.

Despite the adverse effects of the miners' strike, Mr Lee reports that profitability in the rope and stockholding companies showed an improvement over the comparable period.

In the plastics division Plasco Plastics, acquired in October, made a satisfactory initial contribution.

Operating expenses during the half-year amounted to £36.88m (£32.48), to leave operating profit at £1.95m (£566,000). Interest received was £2,000 (£1,000), and there was an £11,000 contribution last time from a related company. Interest charges took £412,000 (£209,000).

Tax was £438,000 (£56,000), to leave net profits at £1.1m (£313,000).

An extraordinary credit of £824,000 is the surplus from the sale of the goodwill, fixed assets and stock of J. A. Hemming at the end of March, and the acquisition of the equivalent assets of Brymill Stockholders.

● comment

The main factor behind Arthur Lee's recovery in the first half is the turnround achieved in its steel products subsidiaries. Drastic rationalisation has turned Lee Bright Bars from a heavy loss-maker two years ago into a significant contributor to group profits. It is in a highly competitive market suffering from overcapacity, and exports are handicapped by sterling's strength but the company believes it is now on a sound enough footing to grow. The group is giving high priority to building its engineering plastics operations. Steel products, after all, is a mature industry whereas the plastics sector is forecast to grow by 5-10 per cent a year. However, the plastics subsidiaries are still contributing less than 10 per cent of group turnover and Lee therefore remains heavily dependent on the cyclical steel industry. The stock market reacted to the beter-than-expected results by lifting the share price 1½p to 43p. At that level a cautious view of year-end profits of £2.8m has the shares trading on an undemanding p/e ration of under 7.

Goldcrest profit is likely to be temporary

By Raymond Snoddy

Goldcrest films and Television, the independent film company, is likely to slip back into loss after announcing that it made its first profits in 1984.

The company, which has been involved in the financing of films such as Gandhi, Chariots of Fire and The Killing Fields made a pre-tax profit of £1.6m. The money, much of it earnings from Gandhi, was earned on turnover of just under £14m and on average capital employed of £23.1m.

Mr Michael Stoddart, chairman of the private company in which Pearson, publisher of the Financial Times, has a 41.2 per cent stake, said the result was still well below target for return on investment.

Mr Stoddart admitted that despite being only half way through the current financial year it looked as if the company would suffer a loss this year.

Part of the problem stems from the fact that Goldcrest will be able to release only one major film this year, instead of two as planned.

The one film, Revolution, due to be released in December has also gone over the planned budget from £14m to £17m. As a result Revolution now looks less potentially profitable than at the time of the initial investment.

The company believes that Robin of Sherwood is also likely to produce less revenue than hoped, because of a softening in U.S. cable television's interest in the second 13 episodes.

Because of the high costs of Revolution and another major Goldcrest film, The Mission, Goldcrest has had to draw substantially on its bank overdraft, Mr Stoddart said. "Thus the 1985 accounts will bear a heavy interest burden in contrast to the interest earned in surplus cash balances during 1984," Mr Stoddard said.

The chairman emphasised that Goldcrest would continue to back distinctive high-quality projects and believed that "despite the immediate difficulties" there were firm foundations for continued profitable development.

Apart from Pearson, the major shareholders in Goldcrest include the National Coal Board Pension Fund and Electra.

Godfrey Davis' record despite interest increase

INTEREST CHARGES continued their sharp rise in the second half of 1984-85 at Godfrey Davis Holdings — reflecting the change in policy from leasing to outright contract purchase — but the group was able to meet its interim forecast for record profits for the year.

The pre-tax result was up from £3.25m to £3.75m, after much higher interest payable of £1.19m against £253,000. Turnover rose only marginally to £101.99m against £100.81m.

The group's main activity is its Ford main dealerships, which includes the contract hire business. It also has interest in park home estates and sales, portable buildings, paint distributors and finance and property.

At half way, the directors, reporting profits down from £1.85m to £1.69m, were confident that the full year would show an improvement over the record results of 1983-84.

They are to recommend a final dividend of 3p net per share, up from 2.5p, for a total payment of 4.5p (4p). Earnings per share are stated as down from 11.9p to 11.7p, but the total issued capital was increased by the acquisition of D. J. Wraith Holdings in October last year.

Wraith is engaged in the hiring and selling of portable buildings under the name Rent-A-Unit, and cost £2m. A six months contribution from the purchase added £493,000 to operating profits, on turnover of £1.8m.

A divisional breakdown of other sectors shows turnover and profits respectively: £93.59m (£93.05m) and £2.62m (£1.79m) from the vehicles division; £5.44m (£4.94m) and £1.35m (£1.2m) from park home estates and sales; £1.97m (£963,000) and loss £36,000 (£89,000 profit) from paint distributors; and £3.57m (£5.19m) and £507,000 (£430,000) from finance and property.

The tax charge for the year came to £1.38m against £963,000, to leave net profits at £2.37m (£2.29m). An extraordinary debit of £273,000 (£728,000 credit) was the net closure cost in respect of the excess facilities in London NW.

Retained profits for the year, after dividend payments of £944,000 against £771,000, totalled £1.15m (£2.25).

● comment

Godfrey Davis' dependence on its Ford main dealerships is in steady decline. Having successfully exploited park home estates, its latest plans for growth hopes are pinned upon portable buildings — anything from lavatory cubicles to offices —made by Wraith Holdings acquired half way through last year. So far the strategy seems to be paying off, and after an encouraging £½m contribution for just six months of last year, Wraith should make its first important impact on profits in the current year. The purchase of a new park home estate since the year end should help growth in that division too. However it is not likely that the mature dealerships and contract hire business will achieve another 50 per cent rise in profits this year. Most of the increase last year was due to a particularly well judged switch from leasing to buying cars for contract hire, a switch that the company may reverse according to its view of interest rates and its tax position. In all, £4.5m pre-tax in the current year looks within reach, and on a tax charge of 37 per cent the shares, down 1p at 109p, are trading on an undemanding p/e of 8.

Lookers at £1m in competitive conditions

ALL DIVISIONS contributed to the record £1.01m in pre-tax profits achieved by Lookers, Manchester-based motor vehicle distributor and engineer, in the half year to end-March 1985. This compares with a previous £762,000.

In his last annual statement, Mr W. K. Martindale, the chairman, commented on the competitive trading conditions in the industry, but said the group was well equipped to deal with difficult conditions.

He now adds that although the extremely competitive pressure continues, trading in the second half has started well. As always, much depends on the results for the closing months

Problems arising from the oversupply of new cars and agricultural machinery have been compensated for, the chairman says, by particular attention being devoted to used cars and machinery, service and parts.

An increased interim of 1.6p (1.5p) has been declared. Last year a total of 4.5p was paid on profits of £1.87m. For this half net earnings per 25p share are shown unchanged at 7.6p.

Kenning Motor dives £0.4m into red

Kenning Motor Group dived into the red in the six months to March 31, 1985, with a pre-tax loss of £438,000 for the period, against a £1.81m profit last time. Although the company had anticipated a shortfall, the extent was greater than expected.

The setback reflects a poor performance in Kenning Car Hire and lower profits from Kenning Tyre Services, while results from the company's U.S. tyre and Zimbabwe operations were also below last year.

Mr H. Oxspring, the chairman, says, however, that he is confident of significant progress, excluding Zimbabwe, in the second half. But full-year results are unlikely to match last year's levels, largely because of costs associated with necessary rationalisation and the shortfall in Zimbabwe.

The chairman says that during the last three months of the miners' strike, the effect on the company's UK businesses was progressively more severe. Since the end of the strike, there has been a steady improvment, but he says it will be some time before the effects of this dispute are fully eliminated.

The improvements in organisation and management over the last three years have given the company a firm base on which to build, Mr Oxspring states. He is confident that the long term future is bright and that substantial progress will be achieved next year.

The interim dividend is maintained at 2.5p net, while the total payment will depend on the second half performance—last year's final was 4p on £7.54m profits. Stated half-year loss per 25p share was 0.6p (1.8p earnings).

Group turnover for the period improved from £173.09m to £202.6m. At the operating level, profits were down from £2.68m to £1.21m, before almost doubled interest charges of £1.65m, against £0.87m.

The operating result was split between: UK £104,000 (£799,000); Europe loss £20,000 (loss £90,000); U.S. £108,000 (£502,000) and Zimbabwe £1.02m (£1.47m).

Trading in Zimbabwe continued to be depressed as a result of the severe restrictions on foreign currency allocations and adverse exchange rate movements and, as previously indicated, the full year result will be reduced.

Results from the U.S. tyre operations were substantially down for the first four months, but since then new management has achieved a significant improvement and the company is confident of further progress in the second half.

● comment

The market knew that it could expect nothing positive from Zimbabwe, that the first three months in the U.S. had been dismal and that Kenning was badly hurt by the miners' strike both on the tyre and hire sides. But even so, the results showed that there was still room for disappointment: no one was fully prepared for the extent of the scaledown in UK profits. It seems that management took a wrong turn in failing to dispose of the hire fleet at the end of last season—shareholders must be hoping that further mistakes may be prevented by the new management which has recently been brought in. Poor management has also been the problem in the U.S., and here a new team is already turning things around. Some catch-up effect on the tyre group as the NCB resumes orders can be expected, and a total profit for the year of about £5m seems likely. That would mean that the shares at 100p, down 6p, are on a p/e of 14, which seems to discount a substantial recovery the following year. Assuming no further upsets of the sort to which Kenning has been prone, the company should be able to maintain the final dividend, which would imply a supportive yield of 9.3 per cent.

Charles Sharpe shares jump 72p

Shares in Charles Sharpe, the seed grower and merchant, rose 72p on the day, to close at 385p last night, after it revealed that it had received an unsolicited approach which might lead to an offer for the company. Sharpe did not name the other company involved but said a further announcement would be made as soon as possible.

In the year to June 1984, Sharpe reported pre-tax profits up from £548,163 to £588,303 on turnover of £18.32m (£16.45m).

Anglia TV drops as higher costs take toll

INCREASED COSTS have hit interim profits of Anglia Television Group. Excluding losses incurred by Sodastream, pre-tax figures for the six months to April 30 1985 fell from £2.73m to £1.54m. The interim dividend is maintained at 3p net.

Profits are based on pro forma figures that exclude results attributable to Anglia's investment in Sodastream, which was sold after the end of the period to Cadbury Schweppes. The full year accounts will include an extraordinary profit after tax of £2.5m arising on the sale.

Unadjusted results show pre-tax profits down from £2.67m to £944,000.

Turnover for the half year improved from £28.9m to £30.06m. Anglia's share of the industry's advertising revenue increased during the period, and as a result the company achieved a small amount of growth despite a general decline in the industry's revenue.

Although every effort is being made to control costs, increases in programme prices, Channel Four subscriptions (up from £4.37m to £4.76m) and other costs adversely affected results.

The board says that if the revenue trend continues, profits for the full year will fall below those of last year. However, the sale of the Sodastream investment will, in the second half, virtually eliminate losses attributable to associated companies

The board says most forecasts predict an upturn in advertising revenue in the autumn, which points to more promising prospects for next year.

● comment

The market appears well up with events at Anglia Television—so much so that the 50 per cent drop in operating profits caused hardly a ripple leaving the shares unchanged at 150p. While no one can be sure that the bottom of the advertising revenue cycle for the commercial network has been reached, Anglia has enjoyed limited growth within the overall decline. Its share of net revenue is estimated at around 6 per cent. The news that the company is to sell for cash its minority stake in loss-maker Sodastream—which made a £600,000 negative contribution this time round—will also be a welcome fillip. The funds will help increase investment income and cover dividend payments while advertising earnings lag. The maintained interim payout produces a yield of 7.6 per cent and provided the revenues in the early autumn perk up as expected then the final could go up by some 10 per cent. There is some concern, however, that the tighter programme cost structure needed to ensure that gains in advertising revenue come through to profits may not be achieved as planned. As a result of this and the revenue uncertainties, analysts are clipping £¼m off their full year forecasts, taking these down to £4.5m. With even this already partly discounted, most are on next year and are straining to discover signs of a revenue recovery.

Juliana's raising £7m to help diversification

BY STEFAN WAGSTYL

Juliana's Holdings, the discotheque and night club group, is raising £7m with a rights issue of convertible loan stock.

The group wants the money to support its diversification away from operating discotheques on contract to owning night clubs, restaurants and fitness centres.

The group owns Juliana's club in Amsterdam and Raffles in London. But its biggest effort to run clubs of its own is through Supersport, a 50 per cent owned joint venture, which has opened Raffles and Hot Gossip in Hong Kong and ZigZag in Montreal, Canada.

In another joint move through Supersport, the group is involved in Gymtech, which is opening its first fitness centre, in Hong Kong, later this month and two more later this year.

Juliana's says that the benefits of the Supersport investment will begin to emerge in 1986. The company invested £1.5m in joint ventures last year and plans to invest another £2.4m over the next 18 months.

The rights issue funds will clear the group's bank borrowings and leave it with cash balances of £5.6m. Mr Nicholas Irens, finance director, said that while the company had no pressing need for money, it was better to raise it now rather than wait until the need was pressing.

In 1984, the group made profits of £1.54m pre-tax on turnover of £8.08m. The growth was held back by losses at Supersport incurred in setting up the Montreal club and a fitness centre in Singapore.

The £7.33m 7½ per cent convertible unsecured loan stock 2000-02 is offered at the rate of £4 stock for every nine ordinary shares held. The conversion rate is 46.511 shares for every £100 of stock, giving an effective conversion price of 215p, compared with a market price of 200p yesterday.

The issue is underwritten by merchant bank Morgan Grenfell and the broker is Rowe and Pitman.

● comment

Investors should be clear that Juliana's Holdings' decision to move away from oprating discotheques to taking equity stakes in nightclubs increases both the risks faced by the group and the potential rewards. While the contract disco business has grown steadily over the years and should continue to do so in the future, the performance of the joint ventures is likely to be less predictable. Nevertheless, the management of Juliana's should have enough experience to have a good chance of making a success of this venture. The first firm evidence should emerge by the end of the year when the Raffles Club in Hong Kong is expected to pass breakeven and move into profit. The timing of the rights issue might seem a little opportunistic but it does offer sharholders the chance to invest in the company on quite generous terms, with a yield of 75 per cent against 15 per cent on the ordinary.

BIDS AND DEALS IN BRIEF

CROWN HOUSE announces the purchase, for cash, of the Terence Mason Investment Group. It will be integrated into the Tableware Division (Dema Glass). TMI manufactures high quality silverware and cutlery in Sheffield and Birmingham under the brand names George Butler of Sheffield and Cavalier and in the year to January 31 1985 the turnover was approximately £5m.

BENJAMIN PRIEST has decided not to proceed with negotiations for the sale of the stainless steel profiling business of its Crew & Sons division to Amari. The group will continue to develop its interests in stainless steel profiling and associated activities.

BUNZL'S bid for Brammer, bearings distributor, will formally lapse today. It was conditional on Brammer's bid for Energy Services & Electronics, an electronic equipment rental group, failing, but Brammer yesterday won acceptances from 57.7 per cent of ESE's equity. Brammer, which also holds 14.9 per cent of ESE, declared its bid unconditional. It won approval from sharehodlers for the acquisition last Friday.

STAKIS, through its subsidiary Tandem, has concluded negotiations to acquire a majority interest in Mannin International Holdings, which has licensed banking and authorised trust status on the Isle of Mann through two principal subsidiaries.

REED INTERNATIONAL has acquired for its wholly-owned subsidiary, Reed Telepublishing, the St. James Press Group of companies. St. James which publishes hotel guides and holiday travel information, had a turnover of £2.7m in 1984.

J. HEPWORTH & SON has reached agreement in principle to acquire the 49.9 per cent interest in its Club 24 retailer credit card subsidiary held by Forward Trust Group, the finance house offshoot of the Midland Bank. Hepworth is exercising an option to acquire the interests at net asset value, which currently stand at £100,000.

BELHAVEN BREWERY has acquired 21, mostly freehold, off-licenses from Courage, for £480,00. A cash deposit of £46,425 has been paid, with the balance at completion on July 15 1985 by the issue of new ordinary at a price equal to the average middel market price for the existing ordinary as published in the Stosk Exchange Officia List on the three preceeding business days.

BASE LENDING RATES

A.B.N. Bank	12½%	■ Hill Samuel	§12½%
Allied Irish Bank	12½%	C. Hoare & Co.	12½%
American Express Bk.	12½%	Hongkong & Shanghai	12½%
Henry Ansbacher	12½%	Johnson Matthey Bkrs.	12½%
Amro Bank	12½%	Knowsley & Co. Ltd.	13 %
Associates Cap. Corp.	13 %	Lloyds Bank	12½%
Banco de Bilbao	12½%	Edward Manson & Co.	13½%
Bank Hapoalim	12½%	Meghraj & Sons Ltd.	12½%
BCCI	12½%	Midland Bank	12½%
Bank of Ireland	12½%	■ Morgan Grenfell	12½%
Bank of Cyprus	12½%	Mount-Credit Corp. Ltd.	12½%
Bank of India	12½%	National Bk. of Kuwait	12½%
Bank of Scotland	12½%	National Girobank	12½%
Banque Belge Ltd.	12½%	National Westminster	12½%
Barclays Bank	12½%	Northern Bank Ltd.	12½%
Beneficial Trust Ltd.	13½%	Norwich Gen. Trust	12½%
Brit. Bank of Mid. East	12½%	People's Trust	13½%
■ Brown Shipley	12½%	Provincial Trust Ltd.	13½%
CL Bank Nederland	12½%	R. Raphael & Sons	12½%
Canada Permanent	12½%	P. S. Refson	12½%
Cayzer Ltd.	12½%	Roxburghe Guarantee	13½%
Cedar Holdings	13 %	Royal Bank of Scotland	12½%
■ Charterhouse Japhet	12½%	Royal Trust Co. Canada	12½%
Choulartons**		■ J. Henry Schroder Wagg	12½%
Citibank NA	12½%	Standard Chartered	‖12½%
Citibank Savings	¶12½%	TCB	12½%
Clydesdale Bank	12½%	Trustee Savings Bank	12½%
C. E. Coates & Co. Ltd.	13 %	United Bank of Kuwait	12½%
Comm. Bk. N. East	13 %	United Mizrahi Bank	12½%
Consolidated Credits	12½%	Westpac Banking Corp.	12½%
Co-operative Bank	*12½%	Whiteaway Laidlaw	13 %
The Cyprus Popular Bk.	12½%	Williams & Glyn's	12½%
Dunbar & Co. Ltd.	12½%	Yorkshire Bank	12½%
Duncan Lawrie	12½%		
E. T. Trust	13 %		
Exeter Trust Ltd.	13 %		
First Nat. Fin. Corp.	13½%		
First Nat. Secs. Ltd.	13½%		
■ Robert Fleming & Co.	12½%		
Robert Fraser & Ptns.	13½%		
Grindlays Bank	‡12½%		
■ Guinness Mahon	12½%		
■ Hambros Bank	12½%		
Heritable & Gen. Trust	12½%		

■ Members of the Accepting Houses Committee.
* 7 day deposits 9½%, 1 month 10½%. Top Tier—£2,500+ at 3 monthly notice 12½%. At call when £10,000+ remains deposited.
‡ Call deposits £1,000 and over 9½% gross.
‖ 21-day deposits over £1,000 10½%.
¶ Mortgage base rate.
** See Provincial Trust Ltd.
§ Demand deposits 9½%.

JOBS COLUMN

Well done, but don't let it go to your heads

BY MICHAEL DIXON

JOBS COLUMN readers might care to know that they are being talked about behind their backs. The proof is a comment in the monthly newsletter produced by the John Courtis and Partners recruitment consultancy and circulated not only to its company clients but also to "friendly competitors" in the headhunting trade.

The reference to your goodselves is meant favourably. It acknowledges your remarkable quality as shown by those of you who have responded to the good many job offers being made through the Courtis consultancy, which have been mentioned in this column over the past dozen years.

The thing about you that surprises the headhunters is not your overall brilliance (which is after all merely to be expected in people who read the FT). The surprising quirk, in the newsletter's words, is that: "For reasons which are not wholly clear, the worse the problems of the job, the better the volume and quality of the response."

Although the consultancy has been noting that tendency on your part for more than a decade, it has hitherto done so privately. What has finally prompted, or perhaps goaded it to record the matter publicly is your reaction to the recent offer of a financial director's post.

The job in question was mentioned here on January 31 as being with a service company of international scope. Courtis frankly described it as "a real stinker — which is what job advertisements usually refer to as a 'challenge'." But the newsletter now takes the description somewhat farther by saying:

"If a company was virtually insolvent, had fired half its management and was a prime target for takeover, you might not expect that its financial directorship vacancy would attract the best response ever."

But it evidently did.

If it is generally true that the tougher the going the more you readers relish it, then I must confess it is not only the Courtis consultancy that fails to find the reasons wholly clear.

Probably the best inference that might be drawn about your motivation (which the Jobs Column is naturally eager to adopt) is that you share a high need for achievement of the sort which psychological studies have many times associated with successful entrepreneurs.

While that can be a productive quality in many ways, however, you had better be warned not to let it drive you too far into leaping to take ever more impossible-seeming challenges at work. The most widely known studies of people apparently motivated by need for achievement — those of the American psychologist David McClelland —indicate that successful entrepreneurs are not quite as fearless of the odds against them as some people, including their public-relations agents, seem to believe.

Choosy

Even though the cavalier go-getters may appear to be willing to take on anything, they are evidently quite choosy about the problems they tackle.

Professor McClelland's findings on the matter can perhaps best be appreciated by first visualising a line. At one of its ends are problems so easy as virtually to solve themselves. The line then leads through tasks of successively increasing toughness and stops at the other end in problems which are altogether impossible.

The indications are that when faced with such a range of problems, entrepreneurial types choose to tackle those of no more than the middle to upper-middle degree of difficulty. In other words, successful entrepreneurs seem to pick challenges in which they feel that the difference between triumph and failure can be realistically made by their own commitment and abilities.

In doing so they evidently contrast with the opposite kinds of people known, in David McClelland's terms, as "fear-of failure." Their tendency when faced with the same range of problems is to act in either of two ways.

One is to pick the easiest, presumably on the grounds that they have no risk of failing those — which is hardly surprising. But they are apparently equally likely to pick one of the downright impossible tasks presumably on the grounds that when they fail it, they and everybody else can be sure it was not really their fault.

The reason why people ought to beware of an urge to get to grips with continually harder challenges is based on the probability that, if their need for achievement turns into a greed for achievement, they will some day take on an impossible one and fail at it. That experience might well prove the end of their career prospects, especially in a country where—as is now evidently the case in Britain—employers will not seriously consider applicants, however previously successful, once they have committed the crime of losing their job.

It is by no means improbable that the experience of the initial disaster followed by persistent rejections at the hands of recruiters might have the effect of switching the former achievement - need people's motivation, turning them into fear-of-failure types. For Professor McClelland's work suggests that whether a person is achievement-motivated does not depend on genetic inheritance.

The decisive factor seems to lie in social conditioning, particularly the attitude to failure of other people close enough to exercise a strong influence on the person concerned.

Try again

If they characteristically look on failure as an opportunity to try again more wisely, they will encourage an achievement-motivated willingness to take realistic risks. If their attitude is that any downfall is foolish and shameful, the outcome is liable to be fear of failure and reluctance to risk any productive initiative unless the responsibility for it can be so well covered that nobody could identify its true authorship.

The McClelland theory implies that the prevelance of one attitude or the other goes well beyond immediate neighbourhoods, with the result that whole nations tend to be swayed towards either entrepreneurially striving to improve their lot, or apathetically accepting it as inevitably wretched. That could be an important reason why some countries grow continually richer, and others poorer and poorer no matter how much economic aid is poured into them.

"Fear of failure may be so widespread in backward economies that improving opportunities may paradoxically make people *less* likely to take advantage of them," the professor says.*

For instance, people who have accepted the impossibility of scratching more than a bare existence from the soil can live happily with themselves in the belief that no human could do better. But if economic aid eases conditions so that improving their living becomes clearly dependent on their personal ability, they face a test of their self-esteem. Rather than risk taking it, they will tend to move to the cities and confidently starve there.

So it may be that the employers who encourage fear of failure by refusing a come-back chance to people who have lost their job may not simply be acting arrogantly. They may be helping to turn us into a backward country.

**Motivating Economic Achievement. Collier-Macmillan, 1969.*

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As it is intended that this appointment should be the first in a long-term career with the Group, a comprehensive expatriate package is offered, which includes fully-expensed housing and car, generous home leave, bonus and Group pension etc.

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Dealing with a broad range of sophisticated international clients, you will need at least 3 years' experience in international securities together with a degree or professional qualification. You should be able to demonstrate an innovative approach to problem-solving, combined with a strong product and market knowledge.

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INTERNATIONAL BANKING

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Contact: Leslie Squires

BOND SALES Progressive merchant bank
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A top Eurobond Sales professional is sought by a prominent merchant bank whose capital markets activities have been notably successful. The person appointed will be a key member of a growing department handling very substantial Eurobond Sales. We should be happy to discuss this opportunity in confidence with candidates who are aged under 35, have a proven track record and are seeking a more progressive and rewarding career opportunity.

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Contact: Kevin Byrne

YOUNG COMMERCIAL BANKERS "Cross over" to Merchant Banking

Our client is a top flight merchant bank with an enviable reputation for its innovative flair — a policy decision to more actively market its Capital Markets products (with particular reference to swaps) has created openings for top-quality young bankers, probably working in relationship management within U.S. banking. This role offers the chance to specialise in one or two major product groups, whilst maintaining a generalist marketing profile. Career prospects are first class.

Contact: Kevin Byrne

A.C.A. — CORPORATE FINANCE
c.£17,000

Our client is a leading merchant bank with an extensive overseas network and a reputation as a highly innovative force in corporate financing. In conjunction with ambitious development plans, the bank is recruiting a high-calibre Accountant to join its specialist Corporate Finance Division. The appointment represents a superb entry-point to the marketing and execution of complex transactions for a newly or recently qualified Accountant with large firm experience.

Contact: Felicity Hother

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Contact: Sarah Beaumont

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A recognised and expanding UK bank, providing a wide range of banking services to commercial enterprises and the general public, wishes to appoint a Sub-Manager to a busy branch in Cardiff. Candidates are likely to be clearing bankers aged in their mid/late 20s, well educated ('A' level/graduate), probably on a Management Development Programme and/or qualified A.I.B., with branch experience at Grade IV level or above in both retail and corporate sectors. Career prospects are very good, in line with the continuing growth of the bank.

Contact: Ken Anderson

Anderson, Squires Ltd., Bank Recruitment Specialists
Blomfield House, 85 London Wall, London EC2
01-588 6644 Anderson, Squires

International Banking Consultant

C. £35,000 plus car **Central London**

GEISCO is the information services division of General Electric (USA)*. Its computer services operations span 25 countries all interconnected via the world's largest commercial teleprocessing network which enables GEISCO to bring a unique international dimension to its business systems consultancy.

The International Banking, Marketing and Support Group based in London is responsible for providing sales support and product development in the International banking environment. Their services provide a diverse range of banking systems from front line customer services to internal control and management systems. The clients are the world's leading international banks.

To provide for increasing demands made on the International Banking Group, GEISCO is seeking an additional International Banking Consultant to provide banking support in the client environment and work on the development of current and future products. Applicants will ideally have 10 or more years experience of main stream banking. That experience will include foreign exchange, exposure management, EFT, treasury management and automated systems. Experience of marketing, although not a requirement, would be a distinct advantage. The ability to communicate effectively at all levels in the client environment is essential.

Frequent international travel is a requirement of the position.

Applicants are invited to write in the first instance, giving full career details to John Stirling, quoting ref. M2200. All replies will be treated in strict confidence.

*Not connected with the General Electric Company Plc of England.

Roland Orr & Partners
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35 Piccadilly, London W1V 9PB Telephone 01-734 7282

Corporate Finance
Stockbroker

Our client is a major UK Stockbroker which has recently aligned itself with an Overseas Bank. The firm is continuing to expand its corporate finance activities and consequently seeks additional staff to join the existing corporate finance department.

The requirement is for highly professional corporate financiers, currently working for either a merchant bank or stockbroker, who would relish the challenge of working in a fast growing and lively environment.

It is essential that candidates are articulate and confident in order to conduct the necessary business development and marketing. They should be self motivated and keep to be involved in the team's development.

A very attractive remuneration package will be offered.

Interested applicants should write, enclosing a detailed curriculum vitae, to Neal Wyman BSc ACA, Manager, Corporate Finance Division, 23 Southampton Place, London WC1A 2BP or telephone him on 01-404 5751 quoting ref. 7746.

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Please telephone or write to Sue Jagger, of Cripps, Sears & Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701.

Cripps, Sears

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ACCOUNT OFFICERS £20,000 – £30,000 + Bank Benefits London	A major U.S. Bank seeks graduate or AIB bankers aged 25-35 with at least two years experience in international banking, sound credit and marketing skills and the knowledge and personality to market a wide range of the bank's products. Candidates should have the potential to progress quickly within a dynamic environment. Ref. DES
DEPUTY CHIEF ACCOUNTANT £16,000 + Car West End	A prestigious manufacturing and retailing group seeks a flexible thinking and commercially orientated individual to take charge of all statutory and period reporting, related administration and the effective direction of financial staff. An attractive benefits package combined with influential responsibility in a high profile sector where early achievement will be generously rewarded. Ref. JFH
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To obtain further information send a copy of your CV to: Robert Lane, Assistant Director-General, Room 103, The County Hall, London SE1 7PB. Closing date for applications is 5th July 1985.

Applications are invited from women and men from all sections of the community, irrespective of their ethnic origin, colour, sexual orientation or disability, who have the necessary attributes to do the job.

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All applications will be dealt with in the strictest confidence.

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The ideal candidates should have some three years experience in trading money market instruments, including Interbank Deposits, C.D.'s, Treasury Bills, Eligible Bills, Financial Futures and be innovative in their approach to dealing.

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Please write with full Curriculum Vitae to:

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deZB

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London EC2M 7EE**

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If you seek the chance to run your own department in a secure and developing environment with a starting salary c£15,000 plus the normal banking benefits, please write, in confidence, enclosing a CV to Paula Haldane of Cripps, Sears & Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701.

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Telephone: 01-723 6803.

Corporate Finance

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Interested applicants should write, enclosing a full curriculum vitae, to: Sharon Ayre, Personnel Officer, First Interstate Limited, 162 Queen Victoria Street, London EC4V 4BS. (Tel: 01-236 5292)

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CORPORATE FINANCE

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London Branch

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Telephone: 01-638 8021

Manager Nordic Banking

Nordic Bank is a member of the Den norske Creditbank group, Norway's largest banking concern. Continued development of the bank's international business activities has resulted in the need to recruit an experienced lending banker to assume responsibility for marketing in Sweden.

As part of a small team based in London, the selected applicant will have responsibility for developing business with new and existing customers primarily in Sweden and will be required to travel on a regular basis.

Fluency in the Swedish language is a strong preference for this position and candidates should also have received formal training in risk assessment and credit analysis techniques. Detailed knowledge of the Swedish business world is essential and familiarity with other Scandinavian markets will be an added advantage.

This is a challenging opportunity for a suitably motivated individual to develop in a lively young environment, which offers exposure to a wide range of banking and capital markets products. This appointment will be on the basis of UK terms and conditions. Salary will relate to age and experience and will be augmented by the full range of benefits normally available within the banking community.

Interested applicants should submit full written career details to:
T.O. KOLLINSKY, MANAGER PERSONNEL, NORDIC BANK PLC,
Nordic Bank House, 20 St. Dunstan's Hill, London EC3R 8HY.

Nordic Bank

Dealer/Treasury Opportunities with PRIVATbanken

Owing to continued expansion, our dynamic and new-product orientated dealing room has two new opportunities for ambitious people to join the young team in London, working in pleasant modern surroundings, with the advantage of up-to-date technology.

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If you are an experienced dealer, aged 25–30, with at least five years money market experience and the confidence to take a responsible role, this could be your opportunity. You should also have practical experience with new market products as well as a knowledge of FX, with particular emphasis on arbitrage.

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This appointment is one of the keys to the Bank's focus on the customer philosophy. It carries responsibility for the foreign exchange and money market activities for a number of clients, and entails liaison, on their behalf, with other departments of the bank. An innovative approach, coupled with the ability to organise and administer efficiently, is called for. You will probably be in your early twenties with a good educational background.

Both appointments come with attractive remuneration packages and offer the future prospect of overseas experience in PRIVATbanken's worldwide branch network.

Applicants should write, enclosing a full C.V. to the Personnel Department, PRIVATbanken Ltd., 107 Cheapside, London EC2V 6DA.

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within its expanding Foreign Exchange Division to maintain and further develop the bank's existing client base.

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10 Cannon Street, London EC4P 4BY

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Recruitment Advertising

The Financial Times is the market leader for financial recruitment advertising and is looking for an additional Sales Executive to join a small and energetic sales team.

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The successful candidate will have primary responsibility for the internal audit of all aspects of the Group's stockbroking/securities operations which, following deregulation, will play an increasingly important role in its UK activities.

Ideally, applicants should be aged between 28 and 40, hold an accountancy qualification and have excellent analytical and communication skills.

Additionally they will have gained practical experience of securities operations management and be fully conversant with the audit of such activities.

Salary by negotiation.

Applicants should apply in writing with a full Curriculum Vitae to:

The Director of Audit
Banque Arabe et Internationale D'Investissement-Group
BAII Management Services EC
77 South Audley Street
LONDON W1Y 5TA

TRADED OPTIONS

Leading London firm of stockbrokers, with international connections and strong representation in institutional gilt and equity business, is establishing a presence in the traded options market.

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Reply with full curriculum vitae to Box A9050, Financial Times, 10 Cannon Street, London EC4P 4BY.

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We require executives preferably in their 40s with a background in industry, commerce or the professions, to be trained to offer a wide range of financial services to businesses, professional intermediaries and individuals. Income is not limited and benefits are provided.

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or telephone 01-839 1012

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As a leading Canadian investment house prominent in the international financial markets we require a young solicitor to join our Corporate Finance Department in London.

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The position is likely to suit a highly motivated individual wishing to develop skills as a Corporate finance executive. Compensation will reflect ability and performance and promotion prospects are excellent.

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Bristol	0272 277315	30 Baldwin Street.
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Your stockbroking experience alone, however, is not sufficient to ensure your selection for this elite. You must also be able to demonstrate a blend of self-confidence, understanding, independence and the technical authority to negotiate powerfully at whatever level. Naturally, an entrepreneurial spirit is essential. A second language would be an added benefit. Given these attributes, we promise a specialist training programme which is acknowledged to be one of the best in the profession, and a remuneration package which matches high performance with high rewards.

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To arrange an early discussion, please forward a copy of your cv, quoting ref.345, to: Hilary Gane, Whites Bull Holmes Ltd., 63-66 St. Martin's Lane, London WC2N 4JX.

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Dresser Atlas is a rapidly expanding operating Group within Dresser Industries Inc., one of the world's leading suppliers of technology, products and services utilised by the energy industries in the development of petroleum, natural gas and coal. Dresser Atlas is a major global supplier of technical wireline services, including open and cased – well logging and completion services; perforating; sub-surface formation evaluation and production logging. We are active wherever the search for energy is conducted, around the world.

We have an immediate vacancy for an Administrative Manager/Financial Controller to join our staff in Al Khobar – Saudi Arabia. We are seeking an Accountant, qualified to degree level, with 5 to 7 years' experience, preferably obtained in a dynamic, results-oriented operating enterprise. Such experience gained in a U.S.-based international company would be a definite advantage. Applicants will be aged between 28 and 35 and will be single or married without children.

The successful candidate must possess a clear ability to perform duties and execute responsibilities across the whole spectrum of the Finance Accounting or Administration functions, including budgeting, forecasting, reporting and financial analysis, within a defined framework of systems and procedures.

The rewards are excellent, including a specially tailored salary and benefits package to attract the best talent available in the industry; allowances; furnished accommodation; and company car. Future career prospects may involve a move to any other location in Atlas' world wide sphere of operations after a minimum of two years in Saudi Arabia

Please send your Application (with fully documented C.V.) to:–
Monty L. Davis, Area Financial Controller, Dresser Atlas, Dresser U.K. Limited, 197 Knightsbridge, London, SW7 1RJ. Telephone: 01-584 7065.

DRESSER ATLAS DRESSER

HOUSING AND DEVELOPMENT BOARD

REPUBLIC OF SINGAPORE

The Housing and Development Board (HDB) is one of the largest statutory Boards in Singapore. The Board is responsible for the management of about 530,000 units of public housing in Singapore and also other ancillary facilities like shops, offices, industrial premises, hawker stalls and car parks.

To meet our future development, we are seeking qualified professionals and administrators. The successful candidates will be working in a challenging and meaningful environment with a high-performance, multi-disciplinary management team. Applications are invited from suitably qualified persons for the following posts:

(a) ACCOUNTANT;
(b) ESTATES/LANDS OFFICER;
(c) ARCHITECT;
(d) CONTRACTS OFFICER.

Candidates should have professional/good honours degree (for example chartered accountant or chartered surveyors, etc.) in the following related fields with at least eight years of post-qualifying relevant working experience:

Accountancy;
Architecture;
Estates Management;
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Annual Remuneration:
Selected candidates for the above posts will be offered the following salary depending on qualifications and relevant working experience.

Grade	Gross salary range (S$ per annum)
Senior Principal	S$85,543-S$101,069
Principal	S$77,766 (fixed)
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In addition, we offer an attractive compensation package including:

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- Wage increases as recommended by the Singapore National Wages Council
- Central provident fund contributions;
- 21 days' annual vacation leave;
- Subsidised medical and dental benefits;
- Recreational facilities;
- Housing and vehicle loans at low interest rates;
- Subsidised accommodation scheme for non-citizen staff.

Persons interested in the above appointments should write in confidence enclosing a recent photograph and curriculum vitae with details of present salary to the Secetary, Housing and Development Board, Maxwell Road, P.O. Box 702, Singapore 9014, not later than 4th July, 1985. Telex No: RS 22020.

Please state post applied for on the top left-hand corner of envelope.

INTERNAL AUDITORS

A leading Kuwaiti Commercial Bank seeks senior officers in its Audit Department for the following positions:

Loan Reviewer — Senior Auditor.

This position involves responsibilities including indentification of loan problems and credit analysis.

The selected candidate will report directly to the Chief Internal Auditor.

Essential requirements are a graduate in Accounting/ Business Administration with experience of 5-6 years in audit/credit. Also a sound knowledge of lending practices and excellent communicative skills are a must.

EDP Senior Auditor.

This position is concerned with the management of EDP Audit involving control and evaluation of all EDP activities, maintenance, improvement and modification of EDP systems.

The selected candidate will report directly to the Chief Internal Auditor.

Applicant should be graduates of Computer Science or Accounting/Business Administration with experience in EDP systems analysis, programming and controls and audit. Experience of 4-5 years in an Audit Department of Bank is a must.

Excellent remuneration, commensurate with experience and qualifications plus normal fringe benefits will be offered.

Please write enclosing a comprehensive C.V. to: The Personnel Manager, P.O. Box 3996, Salmiya, Kuwait.

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Aredor Guinee est une nouvelle société, qui opere une installation alluviale de mines et de traitement des diamants en Guinee, Afrique Occidentale. La mine se situe a quelques 750 km a l'interieur du pays ou nous avons une main d'oeuvre de 140/1,000 Guineens/expatries.
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Le candidat elu sera de preference parfaitement bilingue (Francais/Anglais) et age de 25-35 ans. Le candidat devra bien connaitre les systemes de comptabilite par ordinateur et avoir une experience des systemes intégrés d'etablissement des couts de revient de mines qui auront été obtnus soit d'un nombre d'années d'experience, soit d'une participation dans l'etablissement d'un tel systeme.

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U.S. Investment Marketing Officer

Schroder Capital Management International is part of the international merchant banking Schroder Group, which currently has discretionary funds under management of almost £11 billion.

As a result of growth in the number of clients and funds under management, an opportunity has arisen within Schroder Capital Management International to join the existing marketing team and to work with one of the most successful teams involved in the management of international portfolios for North American clients. The post involves the marketing of investment management services and liaison with existing clients.

The successful applicant will be based in New York and regular travel within North America will be an essential part of the job.

Candidates must have an investment background and possess an out-going personality and the ability to communicate well.

The remuneration package, which is extremely competitive, will depend upon age and experience and will be related to success. There is also an attractive range of benefits including mortgage subsidy and a non-contributory pension scheme.

Applications (which will be treated in strict confidence) with full curriculum vitae should be sent to: *Mr. John R. Lambert, Head of Staff and Administration,* J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London, EC2V 6DS.

Schroders

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require spot and forward foreign exchange staff to work in their offices overseas, particularly New York. Applicants should have had two to three years experience, in their mid-twenties and be single. In a number of offices a foreign language would be useful.

Applications in writing, enclosing full C.V. to:

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London EC4R 9EQ

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Airmail detailed C.V. and salary requirement together with recent photograph to:

Staff Department

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Certified Public Accountants
P.O. Box 784, Jeddah 21421, Saudi Arabia
Tlx. 400399 EKAB SJ

A major pharmaceutical company with headquarters in Switzerland wishes to appoint a

MARKETING MANAGER

to its organisation in Cairo.

The person appointed will be expected to expand the company's base in Egypt, and candidates should therefore have extensive experience of both marketing and sales management, preferably in an international environment.

The company is in the ethical pharmaceuticals business and candidates, who must be of Egyptian nationality, should have a degree in pharmacy. They should also be fluent in English and, ideally, between 35 and 40 years of age.

Applications, accompanied by a detailed curriculum vitae, should be addressed to:

Chiffre M5461. 18
Publicitas International AG
P.O. Box, CH-4010 Basle, Switzerland

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EDC is a major international financial institution providing a wide range of insurance, financing and guarantee services to Canadian exporters and foreign buyers in order to facilitate and develop export trade.

Preference will be given to applicants holding a Canadian citizenship or landed immigrant status.

Qualified candidates are invited to apply by sending their resume to the undersigned. EDC is an employment equity employers.

Manager Career Development Department
Human Resources Division
EXPORT DEVELOPMENT CORPORATION
PO Box 655, Ottawa, Ontario, Canada K1P 5T9
Export Development Corporation Ottawa TLX 053-4136

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Appointments Wanted

GERMAN BANKER

MARRIED, 43

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Accountancy Appointments

Chief Accountant
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Our Clients are a substantial well established City based Insurance Company specialising in world wide Reinsurance.

They wish to recruit a Chief Accountant who will be responsible to the Financial Controller for the efficient management of the Accounting and Statistical functions, the further development of computer based systems and for the motivation and direction of supporting staff.

Candidates, qualified ACA/ACCA and ideally aged 28-35, should preferably have a background in Insurance, be familiar with statistics and tax, and have a good practical knowledge of the use of computers.

Personal qualities, and the ability to lead and motivate staff, are vital ingredients for this important position which, in addition to the basic salary, will be rewarded with a car and first class medical, pension and life assurance schemes.

Please write with full details of career to date and present salary, quoting reference T3166 and indicating any companies to whom your application should not be forwarded, to J. W. Hills, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

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General Manager

Law Firm

London

to £45,000

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Candidates should be qualified accountants, aged between 35-45, who can demonstrate success in a similar wide-ranging management role in a service industry environment, ideally with experience of introducing computer based systems. Knowledge of a partnership environment and the legal profession would be useful. Leadership ability, drive and commercial awareness will be essential.

Please reply in confidence, giving concise career, salary and personal details to J. J. Cutmore, Executive Selection, quoting Ref. ER774.

Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young Executive Selection

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For more information please contact George Ormrod B.A. (Oxon) or Tim Forster B. Comm on 01-836 9501 or write with your C.V. to Douglas Llambias Associates Limited at our London Office quoting reference number 5351.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

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DLA

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SW of London

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This rapidly growing Public Company, with subsidiaries and associated companies in the U.K., Europe, West Africa and South-East Asia, provides equipment and specialist technical services to the oil industry. Current turnover is £12 million, which is expected to increase substantially, both by acquisition and development of the Group's existing businesses.

A Financial Director is to be appointed to report to the Group Chief Executive and work closely with other members of the Senior Management team. Responsible for all group accounting and financial control at head office, the Financial Director will be expected to participate actively in the management of the company, providing information and advice from a financial viewpoint.

Candidates should be qualified accountants aged in their late 30's or early 40's with management experience gained in a service industry. A demonstrable record of success in financial control and considerable commercial flair are essential. An outgoing person with developed communication and planning skills, a strong management style, energy and dedication will match the needs of the job.

Please write in confidence giving concise career, salary and personal details, quoting Ref. ER790 to J. J. Cutmore, Executive Selection. **Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.**

Arthur Young Executive Selection

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Accountants

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Management Accounting

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Apply in confidence to Valerie Witts in the Personnel Department at IBM United Kingdom Limited, PO Box 41, North Harbour, Portsmouth, Hants. PO6 3AU. Please quote reference: VW/08.

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IBM

FINANCIAL DIRECTOR

This substantial subsidiary of a US manufacturing company requires a Financial Director to maximise predicted growth and profitability. Working closely with the Managing Director this financial/general management role will exploit developed skills in business and strategic planning, a strong commercial orientation and a background in engineering. An outstanding opportunity for a qualified accountant, 30-40 with previous board level exposure. Ref: GR.

BERKS **c.£25,000 + Car**

PROJECT MGR.

Due to an impressive record of growth and development, our client, a major pharmaceuticals company, requires an exceptional accountant. Responsibilities will embrace the upgrading of accounting and data systems, acquisition studies, strategic financial projections and ad hoc projects. Candidates will possess analytical skills, have a flair for presentation and the ability to develop in an expanding environment. Ref: SW.

BERKS **c.£18,000 + Car**

COMPANY ACCT.

A specialist service company operating within the oil industry seeks an imaginative, accomplished young accountant for a new role generated by recent high growth. The position involves full responsibility for 6 staff providing a full day to day accounting service in a complex contract accounting environment. Candidates should demonstrate the ability to contribute significantly in commercial areas. Ref: GR.

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ROMAN HOUSE, WOOD STREET, LONDON EC2Y 5BA. 01-638 5191

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C&L

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This is a key position in the corporate financial area which falls vacant due to the advancement of the present incumbent. The main tasks are to head a small team which is responsible for developing and setting group accounting policies, to ensure that group and divisional directors are kept aware of UK and international technical accounting standards and developments and to produce and interpret the statutory accounts and other regulatory returns.

Probably in your late twenties you must be a qualified accountant with at least two years' post-qualification practical experience of insurance accounting and D.O.T. requirements.

Excellent benefits package and prospects.

Résumés, which will be acknowledged and forwarded to our client unless a *covering letter gives* contrary instructions, to John Robins, Executive Selection *Division*, Ref. R289.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

RIVERSIDE HEALTH AUTHORITY
Director of Finance

Salary £22,950-£25,957 subject to review

This Authority, established in April 1985 from the merging of the Victoria and Hammersmith and Fulham districts, is looking for an experienced and forward looking financial adviser, male or female, to occupy a key general management post.

The district, with a revenue budget of over £120 million is one of the largest and most complex health districts in the country. While responsible for the range of financial services, you will be expected to concentrate on issues of strategic management.

David Knowles, the District General Manager, can be contacted on 01-748 2040, extension 2448 for an informal discussion, while more detailed information about the post and the district can be obtained from the Personnel Department, 5 Collingham Gardens, London SW5 0HR (telephone 01-373 2316, extension 15).

Applications with Curriculum Vitae, including two referees, should be sent in confidence to the District General Manager, Brandenburgh House, 116 Fulham Palace Road, London W6 9HH, by 8th July 1985.

High-Tech Accountant

C. London **c. £16,000**

Our client, an established service subsidiary of a major British group, operates in the fastest growing high technology market in the world. Planned expansion dictates the need for a young, ambitious, finalist/qualified accountant with sound practical experience and the ability to contribute effectively to business decisions.

Major emphasis will be placed on the setting of capital and operating budgets/forecasts and the evaluation of individual product and profit centre reports. Future product development will ensure continued challenge and successful career development not necessarily limited to the finance area.

This is an excellent opportunity to exercise commercial judgement and obtain real business involvement.

Contact Patrick Donnelly on 01-222 5169 quoting ref: FT/72.

tfi **The Finance Index**
Financial Recruitment Consultants
11 Palmer Street London SW1H 0AB Tel: 01-222 5169

Director of Finance

Influential role in group policy and strategy

Yorkshire **c£20,000 + car**

A major manufacturing company, our client is a buoyant £100m turnover business, with head offices in Yorkshire.

The position of Finance Director is central to further development, and provides significant opportunities for participation in determining policy and commercial strategy. Reporting to the Group Financial Controller, the successful candidate will have wide-ranging responsibilities, including all financial and computing aspects at head office and functional control of finance in three de-centralised operating units.

The level of appointment demands a major accounting qualification with at least five years in a senior financial position within a manufacturing environment. It is unlikely that candidates under 30 years of age will have either the necessary experience or personal stature.

Salary will be negotiable around £20,000 plus company car. Excellent benefits package will include assistance with relocation where appropriate.

Confidential Reply Service: Please write with full C.V. quoting reference 1958/SS on your envelope, listing separately any companies to whom you do not wish your details to be sent. C.V.'s will be forwarded directly to our client who will be conducting the interviews. Charles Barker Recruitment Limited, 30 Farringdon Street, London EC4A 4EA.

CHARLES BARKER
ADVERTISING · SELECTION · SEARCH

Accountancy Appointments

Financial Director

North London **£30,000 + Car**

Our client is a highly profitable, fast expanding, nationwide distributor of office supplies and equipment. Buying and selling in this highly competitive market demands close, sensitive, immediately reactive financial reporting and control, and the company now needs a Financial Director who will further refine existing computerised systems and make a major contribution to future company performance and growth strategy.

Aged early 30's upward and probably qualified ACMA, the successful candidate will be very commercially aware and have happy experience of working in a fast-moving environment. Experience could even include a period in sales as well as financial management. It will include successful complete responsibility for an organisation's financial and Secretarial functions.

The position calls for a developed maturity, tact and sensitivity which will help to match the hard-driving commitment of the other Directors. In return, benefits will include personal pension, private medical insurance and, possibly, equity share. Assistance will be given with necessary relocation expenses.

Letters of application, together with CV, salary progression and any other relevant data, should be sent without delay to Mr. C.A. Cotton, Executive Recruitment Division, Stoy Hayward Associates, 3rd Floor, Waterloo House, 20 Waterloo Street, Birmingham, B2 5TF, quoting ref. M710.

Stoy Hayward Associates
MANAGEMENT CONSULTANTS
A member of Horwath & Horwath International

FINANCE OPPORTUNITIES

Jaguar's return to private ownership is the real measure of the Company's success both in the UK and overseas where sales alone were up 17 per cent last year - a new export record.
We are building on this success and due to recent career development moves we are looking to fill the following roles within our Finance Department.

Dealer Finance Manager
(up to £14,000 per annum)

Your responsibilities will include assessing financial viability of the Dealer Network together with analysis of new franchise proposals. This role requires a high level of communication skills and the ability to work with all levels of management both within the company and the dealer network
The appointment will ideally suit a graduate qualified accountant with credit management experience preferably obtained within the motor industry.

Auditor
(up to £12,000 per annum)

Required to carry out a programme of internal audits covering a wide variety of the company's administrative, commercial and manufacturing activities. The scope of the work ranges from appraising internal controls and procedures to reviewing operational effectiveness of company activities. Ad hoc investigations can also be expected.
You must be a Chartered Accountant and preferably a graduate with approximately one years post qualification experience either in industry or with large manufacturing clients in a professional office. Ability to work on own initiative and liaise confidently with all levels of personnel within the company is essential.

In addition to the attractive salary, the package includes a lease car, bonus payment, pension scheme, discounted car purchase, free shares scheme and 25 days holiday.
The company is pleasantly situated within easy commuting distance of some of the finest countryside in the Midlands and relocation expenses will be covered where appropriate.
Please write in confidence giving full career details and current salary to:

**Miss L.I. Morgan,
Co-ordinator, Organisation and Personnel Planning,
Jaguar Cars Limited,
Browns Lane,
Allesley,
Coventry CV5 9DR.
We are an equal opportunity employer.**

JAGUAR

ACA for Investment Banking

Our client, a leading US investment bank in the forefront of the international securities industry, has an exceptional opening at its London office for a young qualified ACA.
As a member of the Control Department, you will be responsible for the financial aspects of a major new security operation to be established in early 1986. In close liaison with senior management on both sides of the Atlantic, you will develop and *review the bank's rapidly expanding* services. An initial training programme is planned in New York.
With a good degree and proven track record, you must be ambitious with an analytical, inquiring approach and genuine management potential.
The salary and benefits package will reflect the importance with which management views this position.
Interested applicants should contact Mark Brewer on 01-242 0965 or write to him, enclosing a comprehensive c.v., at *31 Southampton Row, London* WC1B 5HY, quoting ref. 2045.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney

Financial Controller

West London £20,000 + Car + Benefits

Miss Selfridge, one of the country's leading young fashion retailers, is a subsidiary of a major UK retailing group, and is entering a period of rapid expansion.

You will take total responsibility for the financial function, leading a well-established team in the provision of a prompt and efficient financial service. Controlling both management and statutory accounts, taxation returns, budgets and profit forecasts, you will also maintain a constant review and update of our financial systems.

Based in our West London office, you will be a qualified accountant with some years' post qualification experience, ideally in a retail environment, and will be familiar with computer based systems.

An attractive salary is supported by an excellent benefits package, which features a car, and good career prospects both within the company and the group.

Please write enclosing a full CV, to: The Personnel Controller, Miss Selfridge Limited, 21-27 Warple Way, Acton, London W3 0RQ.

Miss Selfridge

ACA, ACMA, ACCA, MBA.

Today's toughest challenge.

£20-30,000 + car

As one of our Management Consultants you'll be playing a vital role in industry's response to the challenges of today.

Based in London, you'll be advising some of the country's most successful and innovative private enterprises. It's demanding, creative work. Because you'll be *helping* them solve tough and complex problems; helping top management implement change and so improve efficiency and profitability.

Work, in fact, which will test your intellect, broaden your experience and quickly develop your business and technical skills.

Rapid expansion means that we now seek graduate Accountants (ACA, ACMA, ACCA) and MBAs, aged 27-35, with line experience of financial management, ideally including treasury. Involvement with financial institutions would be of particular interest. Personal skills, of course, must impress.

Take up the challenge. *Send full personal and career details (including daytime* telephone number) to Geoffrey Thiel, quoting reference 1476/FT on both envelope and letter.

Management Consultancy with **Deloitte Haskins+Sells**

P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL.

HOW HIGHLY DO YOU RATE YOURSELF?

ACCOUNTANTS neg to £20,000

Our client is a major public company in the LEISURE INDUSTRY based in London with an annual turnover in excess of £1,000m.
They have created a number of openings for QUALIFED ACCOUNTANTS (ACA/ACCA/ACMA) in the age range 23-30.
They will be rewarded according to personal excellence.

£20,000	Lateral thinking problem solver + ambitious and effective + strong verbal/written communicator + good personality.
£18,000	Ambitious and effective + strong initial impact + strong verbal/written communicator + good personality.
£17,000	Ability to make strong initial impact + strong verbal/written communicator + good personality.
£16,000	Strong verbal/written communicator + good personality.
£15,000	Good personality.

The successful candidates will be expected to operate in a demanding and COMPETITIVE business environment where PROMOTION is determined by PERFORMANCE. A relocation package is available in relevant circumstances.

Telephone and send c.v. with a note of how you rate yourself to:
**George D. Maxwell, Managing Director
ACCOUNTANCY APPOINTMENTS EUROPE
1-3 Mortimer Street, London W1
Tel: 01-580 7695/7739 (direct)
01-637 5277 ext 281/282**

Accountancy Appointments Europe

FINANCIAL CONTROLLER

London **c.£18,000 and benefits**

Our client is one of Britain's leading design consultancies with an outstanding record of success and growth. This enviable position has been achieved by professionalism, determination and a fundamental appreciation of their many clients' requirements. Further expansion now calls for the strengthening of the finance team, and a qualified graduate accountant is needed to join one of the rapidly growing divisions of the company. This is a new position, and the successful candidate will report to, and work closely with the divisional M.D. Although a divisional appointment, the Financial Controller will have a strong functional relationship with the Group Financial Controller and there is a clearly defined requirement to be closely involved in overall company financial policy.

Candidates must have a strong sense of commitment, be profit aware and really understand the importance of financial control in the design/construction industry sector. Self-confidence, originality and independence are essential ingredients for survival and success. Real career development prospects exist and an attractive benefits package is for discussion.

Please apply, with detailed career particulars, to:

**Nicholas Potter, quoting reference 199/FT,
Mainstay Management Services Limited,
34 York Street, Twickenham, Middlesex TW1 3LJ.
Tel: 01-891 3301**

MAINSTAY
Management Services

Financial Director
DESIGNATE

Substantial Salary **Outstanding opportunity London**

As a leading British manufacturer of advanced office furniture systems and recipients of many design awards, the company is currently embarking on a major growth programme, including the development of additional manufacturing facilities and national distribution throughout the United Kingdom. We now seek to add to the Senior Management team by appointing an outstanding qualified Accountant to fully develop the role in due course leading to the position of Financial Director.

Clearly this is a challenging role calling for a diverse range of involvement—a strong grasp of detail, the skills to devise, implement and control effective computerised cost and management systems, together with the ability to communicate effectively with the manufacturing team, the Board and the City.

The successful applicant will ideally be aged between 32-40, preferably having experience within other manufacturing industry in a related field. In addition to the fully negotiable salary and company car, the post carries an attractive range of fringe benefits.

Please apply in writing submitting a comprehensive c.v. to:
**Jack Lucas
Lucas Furniture Systems
616 Wick Lane
London E3 2JJ**

Up to £30,000 p.a.
Managing Director
CITY OF LONDON
Corporate Rescue

A commercially minded qualified *accountant*, preferably an ACA, aged 30-40, male or female, is required to establish and operate a new company to provide Administrator services following the introduction of the new Insolvency Act. Must have considerable experience of working in insolvency, at management level. Ideally, this experience will have been gained in the receivership department of a leading firm of Accountants. An outstanding career opportunity with a rapidly growing firm of City based management advisers. Remuneration comprises salary plus performance bonus. Excellent benefits package.

Suitably qualified candidates please phone 01-600 4708 for an application form quoting GF519 (*24 hour* service).

GREYFRIARS
EXECUTIVE RECRUITMENT

PAUL F. MITSON CONSULTANT
104 NEWGATE STREET, LONDON EC1

Accountancy Appointments

LANCASHIRE INDUSTRIAL SCIENCE AND TECHNOLOGY LIMITED

Applications are invited for the post of Finance and Administration Manager. Salary negotiable: £12,000 to a maximum £15,000 per annum. Overall responsibility. The person appointed will be responsible to the Manager for the financial and administrative aspects of the Company. Applicants should be qualified accountants with several years post-qualification experience in the private sector. Experience of management is required and familiarity with computerised systems would be an advantage.

Applications by letter to:
T. G. Goodwin
Company Secretary
Lancashire Industrial Science and Technology Limited
Adelphi Building
Lancashire Polytechnic
Preston PR1 2TQ
Closing date: 5th July 1985

DIRECTOR OF FINANCE

£35K-£40K + CAR

You could help us behave more like a commercial organisation.

For Thames Water, privatisation in 1987 is a very real prospect.

Last year's £40M profit proves that we can deliver the kind of results that should prove highly attractive to investors.

With a vigorous and radical reorganisation programme now complete, we have achieved the kind of structure - even the commercially-minded management culture - that will ensure our continued prosperity when we're exposed to the rigours of the free market.

Our purpose in appointing a Director of Finance is to take us even further along that path, and to find the man or woman who can handle our migration from the public to the private sector; and can ensure that we reap the greatest possible benefit from the freedom to make our own strategic commercial and financial decisions.

Even without that enticing prospect, the job has much to recommend it - not least the responsibility for ensuring the continued financial viability of the largest operation of its kind in the world. Thames Water manages all water services for over 12 million people in a region covering 5,000 sq. miles and including the whole of London. There is a revenue income of £500M; a self-financing capital programme of over £100M and we pay CCA depreciation on assets valued at £5,000M.

You'd manage a department of some 200 people involved with centralised payroll, credit and revenue collection, making a strong contribution to what in the Authority's view is seen as a vital and essential service, which should not be overshadowed by the prospects of privatisation. And you'd also be responsible for the financial aspects of the Authority's growing range of commercial initiatives in selling our expertise and joint ventures with private sector companies, not only in the UK, but increasingly overseas.

Faced with such a brief, you should be a qualified accountant and you'll certainly need extensive experience at Financial Director level in a similar sized commercial organisation. You should have been closely involved in implementing sophisticated on-line access systems for both financial and management accounts. And you should have been involved, albeit perhaps indirectly, in the events surrounding a major stock market flotation.

As well as the salary we've mentioned, there's a benefits package which contains all the features you'd expect with an appointment at such a senior level.

But the overriding incentive will undoubtedly be the prospect of being indentified at the most senior level with an undertaking which has already made history, and which shows every sign of continuing to do so.

Price Waterhouse are acting as consultants for this appointment. For further information could you please write, in confidence, enclosing full career and salary details to Mike Okninski, Price Waterhouse Executive Selection Division, Livery House, 169 Edmund Street, Birmingham B3 2JB. Please quote reference number: TW-02.

Thames Water

And even help us become one.

Finance Manager

Wiltshire **c £19,000 + car**

For a young and progressive organisation which is the market leader within its particular field of consumer products. It is backed by a major public company and has an impressive record of growth in sales and profits.

Reporting to the Director of Finance your responsibilities will include financial accounting, cash management and stock control. Accounting systems are computerised and you will be supported by a staff of around 40 people. As a senior member of the financial management team you will be closely involved with top management in the profitable development of the business.

Probably in your late 20's or early 30's, you must be a qualified accountant. Ideally you will have trained in one of the major accounting practices and already be in a line position in industry or commerce. For a man or woman with drive and ability there are excellent prospects for career progression. Fringe benefits include BUPA, and a non contributory pension scheme. Generous relocation expenses are available.

Write in confidence to John Cameron, quoting ref. C411, at 10 Bolt Court, London EC4 (telephone 01-583 3911).

Chetwynd Streets
Management Selection Limited

herman miller

Financial Director – Europe

Base salary £20,000-£25,000 + car + incentives package : Bath

This interesting career opportunity arises due to a move into General Management by the present Financial Director. It provides an unusually attractive proposition to an Accountant whose professional and technical skills are matched by a flair for influencing company policy and development.

Herman Miller is a $500 million turnover US Public Company with a global reputation for high quality commercial and industrial furniture and systems, based on expertise in ergonomic design which extends into the health care and other specialist markets. The European operation includes sales and manufacturing centres in the UK, France, Germany and Holland, together with an extensive European dealer network.

Based in Bath, the position reports to the Managing Director – Europe and is responsible for the entire workings of the European accounting structure and reporting, in accordance with European and US policy.

The successful candidate is likely to be in his or her early 30's to early 40's, a chartered or certified Accountant, with at least 5 years' post qualifying experience. Recent experience should include exposure to a manufacturing and international environment, ideally but not essentially with an American multinational.

Personal qualities sought include the ability to work effectively in an informal management structure and to bring a positive contribution to the Board. The reporting language is English but a knowledge of French and/or German would be an obvious advantage.

An executive benefits package includes a profit related bonus which provides an income potential significantly higher than base salary.

Please write with full details – in confidence – to Jennie Hale ref. B.79044.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
50 Queen Square, Bristol BS1 4LW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

COMPANY ACCOUNTANT

circa £15,000

Autonomous subsidiary of Alfred McAlpine Homes engaged in development in North West Kent requires a Company Accountant who will have sole responsibility for all aspects of the accounting function of this busy, expanding company. Applicants need not necessarily be qualified but must have sound, proven experience.

Duties will include the preparation of financial and management accounts and all company secretarial matters.

The successful applicant will report to the Subsidiary's Managing Director and be expected to work on his/her own initiative to strict deadlines. An early appointment to the Board can be anticipated for the right applicant.

A company car will be provided together with all the benefits of a large company, including private health insurance.

Apply in confidence to:
The Managing Director
Alfred McAlpine Homes Limited
11 Suffolk Street
London SW1Y 4MG

Alfred McAlpine
Homes

FINANCIAL DIRECTOR designate

West Midlands based high-tech leader **£20,000 negotiable, plus benefits**

Britain's leading independent automotive design and prototyping specialist, with a substantial capital investment programme in computer-aided design and manufacture, seeks a dynamic financial director. The company plans to further increase its market penetration and has flotation as a reasonably short-term goal.

Ideally, candidates should be graduate qualified accountants in their mid-thirties and be able to demonstrate sound practical experience in manufacturing industry. They should be capable of contributing to corporate policy and representing the company with outside bodies as well as managing the in-house accounting and financial control. They must be attracted to being a member of a management team led by an entrepreneur in a highly technological business.

The successful candidate should merit appointment to the board and equity participation within twelve months.

Applications, giving full career details and current remuneration, quoting reference S/2149, should be sent in complete confidence to Patrick Bailey, at:–

Annan Impey Morrish Ltd.,
Management Consultants,
40/43 Chancery Lane, London WC2A 1JJ.

AIM
MANAGEMENT CONSULTANTS

Finance Manager

C. London **circa £20,000**

Our client, a recently established subsidiary of a major British high technology group, is responsible for the development of new products and the assessment of their commercial viability.

A qualified accountant (aged 25-35) is required to join the Management Team. The wide ranging brief will include responsibility for financial and strategic planning together with the establishment of management information systems to support the business now and in the future.

The position demands an outstanding individual who can combine technical competence with imagination, has well developed commercial instincts and above all a determination to achieve agreed business objectives.

Longer term career prospects are excellent and not necessarily limited to the finance area. Relocation expenses where appropriate will be met.

Contact Patrick Donnelly on 01-222-5169 quoting reference FT/75.

tfi **The Finance Index**
Financial Recruitment Consultants
11 Palmer Street London SW1H 0AB Tel: 01-222 5169

BADENOCH & CLARK

SENIOR MANAGER/ PARTNER DESIGNATE

£25–£30,000 + Car

Our client, a successful medium sized City firm, are seeking to recruit an exceptionally high calibre candidate to set up and run a specialist insurance group. Applicants must have extensive experience within the insurance field, preferably gained in a panel firm.

This is an exciting opportunity for a candidate with drive and enthusiasm seeking short term partnership.

Contact **Colin Perkins** or **Jon Varey**.

TAX – CORPORATE FINANCE

£16,000 + Benefits

Our client, a prestigious British Merchant Bank, requires a young, determined candidate to undertake a challenging role within their highly respected Corporate Finance Division. This position represents a fine opportunity for bright individuals who are ultimately seeking a move into Mainstream Corporate Finance.

Candidates should be graduate ACAs with a strong academic background and a minimum of one year's pqe in taxation gained preferably from a medium to large sized firm.

To discuss this exciting appointment please contact: **Timothy Barrage** or **Rachel Caine**.

ASSISTANT FINANCIAL CONTROLLER

£14,000 + Substantial Benefits

Our client, a member of The Stock Exchange, requires a recently qualified ACA to strengthen their accounting and reporting functions in a new position created to support the recent and future expansion of their business.

This is an exciting and challenging opportunity for a young accountant who has integrity, versatility, the ability to communicate at all levels and is capable of working under pressure. Experience of computerised accounting systems is essential.

For further details of this position contact **Robert Digby** to arrange an informal discussion.

Financial Recruitment Specialists
16-18 New Bridge St, London EC4V 6AU
Telephone 01-583 0073

Operational Auditor

London base **c£18,500 + car + bens.**

Our client, a prosperous and expanding American multinational is currently looking for a professional to join an established team of young accountants. Reporting to the European Audit Director you will participate in an operational programme for the company's major West European locations, necessitating 50% travel with a return to home base most weekends.

Current activities include financial systems evaluation, controls, operational methods and practices, special projects, investigations and acquisitions work. The group organises regular training and personal development courses which involve US exchange assignments.

A Chartered Accountant, aged 24 - 28, you should have strong interpersonal skills and possibly experience of working in Europe. A second European language and a general knowledge of financial operations and US accounting practices would be advantageous.

The company, highly rated as a progressive employer, offers an attractive salary, excellent benefits package and generous relocation assistance where necessary.

Prospects for future progression into line management are excellent.

Interested applicants should contact Mark Brewer on 01-242 0965 or write to him at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY, quoting ref. L2046.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney

FINANCIAL CONTROLLER Stockbroking

City **C. £20,000 + Bonus**

Our client, a large and long-established City stockbroking practice, has identified the need to appoint an executive to be responsible to the partners for the co-ordination of the firm's varied financial requirements. The post offers great variety as it will encompass the establishing of accounting and reporting procedures within the main practice and within a public company engaged in investment management. Additionally, the Financial Controller will play a key role in the development and success of a new deposit taking venture.

Probably in your 30's and a Chartered Accountant, you will have a thorough knowledge of the city and particularly of banking. You will have the ability to introduce financial control systems in a busy professional environment by gaining the respect and confidence of your colleagues.

The post carries a salary of around £20,000 with an annual bonus.

Applicants should send a detailed cv to:—
David Bannister, Armitage Norton Consultants,
Hazlitt House, 28 Southampton Buildings,
Chancery Lane, London WC2A 1AR.

Armitage Norton Consultants
MANAGEMENT CONSULTANTS
LONDON – LEEDS – HUDDERSFIELD – MANCHESTER

Accountancy Appointments

Young Accountants
for Internal Audit
A Route to International Financial Management
London Based

We have a requirement for internal auditors to be based either in Group Headquarters, Britannic House, London EC2 or with BP Oil Ltd. at BP House, Victoria.

Group Internal Audit, based in Britannic House, is responsible for Operational and Computer Audits and Internal Control Reviews for a number of Group Companies and Businesses located worldwide.

Internal Audit of BP Oil is responsible for Operational Audits at BP Oil's many installations in the UK including the refineries at Grangemouth and Llandarcy.

The key tasks in both areas involve independent appraisal of operations and systems, the adequacy of their control and recommendation of any appropriate changes to senior management.

Candidates must be graduate, professionally qualified accountants in their 20's preferably with some post-qualification experience. Fluency in French is also a definite asset for Group Internal Audit and both areas require good oral and written communication skills.

An attractive remuneration package includes Inner London Allowance, non-contributory pension scheme, subsidised lunches, and assistance with relocation expenses, where appropriate.

Two years' experience in the Internal Audit function at BP is seen as an excellent entry point to a major British multinational, multi-business group and provides opportunities for a progressive career towards financial management posts within the UK and abroad.

If you wish to learn more please write or telephone for an application form, quoting ref. B.240 to:

Mrs. Jenny Dawson, Personnel Assistant,
The British Petroleum Company p.l.c.,
Britannic House, Moor Lane, London EC2Y 9BU.
Tel: 01-920 8218

BP is an equal opportunity employer.

The British Petroleum Company p.l.c.

Young, ambitious Accountants

High Technology
Rapid Change
Early Responsibility

As a world leader in the fast moving field of advanced electronic control systems, based in the Thames Valley, our client is the first to recognise the importance of personal career development. As a result of internal promotion and business expansion there are opportunities for young, high talent accountants to fill key roles within the organisation with a view to future career progression.

Operations Auditor c.£16,000, Qualified + 1/2 years' experience.
A group-wide role in which you will be evaluating a wide range of accounting systems, proposing changes and overseeing their implementation. A challenging opportunity to develop your knowledge of computerised systems as part of a highly specialised corporate team.

Management Accountants c.£13,000, ACMA with FMCG experience.
To assume key positions in two of our client's most successful divisions we are looking for recently qualified ACMAs with ideally a Business Studies/Accounting degree. You will have wide ranging responsibility for planning, reporting and systems development to meet the needs of these expanding businesses. Individual achievement will firmly establish your career within the Company.

Management Accountant c.£13,000 pref. Finalist with experience in the Construction Industry.
Reporting to the Senior Management Accountant, this is an excellent opportunity to make rapid progress in a major sector of the business. You will be playing a central role in the preparation and analysis of annual planning, monthly and yearly reports and ad hoc investigation. Excellent communication skills, enthusiasm and the commitment to make an early contribution are essential.

If you believe that you have the necessary drive and personality to meet our client's requirements then please contact Steve Rowe on (0344) 416640 or send a brief CV to Rob Smith at: Macmillan Davies Confidential Reply Service, The Old Vaults, Parliament Square, Hertford, Herts. SG14 1PU.

Macmillan Davies
Personnel Consultants

Operational Review

C. London — **to £16,000 + exec car**

Our client, is the refining and marketing arm of a major multinational oil company with substantial interests in the U.K.
Our brief is to recruit a young qualified accountant to work within a small but highly professional team responsible for carrying out management reviews, ad hoc investigations and regular financial systems reviews throughout the company's operations. There is only a small element of routine assignments and the vast majority of work involves carrying out major projects as part of a team, or individually.
The position demands that candidates have good inter-personal skills and are keen to work in a commercial and demanding environment.
There is also frequent contact with senior management, often from non-accounting disciplines.
Candidates should ideally have had exposure to computer based financial systems gained within the profession or alternatively through working on similar assignments in either industry or commerce.
The position provides excellent promotional prospects to areas such as line financial management as well as offering a variety of options within other parts of the group's activities in the medium term.
Candidates should contact **Charles Austin** on **01-242 0965** or write, enclosing a c.v., to
31 Southampton Row, London WC1B 5HY,
quoting ref. L2042.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels NewYork Sydney

Management Accountant

London Head Office — **c£16,000**

Our client Total Oil Marine, is a substantial North Sea operator supplying almost 40% of the UK's gas requirements through the Frigg Field transportation system. Committed to an expanded programme of offshore activity, they are now developing the Alwyn North Field into an important new source of both oil and gas.
The Management Accountant will head up a team of accounting staff responsible for Corporate Management Reporting, and compilation and presentation of budget information. In a highly visible role you will be expected to make a significant contribution to this key area of the Company's financial activities.
Ideally in late twenties/early thirties, you will be a qualified accountant with experience of working in a sophisticated, high spending environment. Ambitious and dedicated, you should combine a creative approach with strong interpersonal skills and proven supervisory ability.
There is an excellent benefits package as you would expect from a major international company, including relocation, as appropriate.
Candidates should initially contact **Charles Austin** on *01-242 0965* at Michael Page Partnership,
31 Southampton Row, London WC1B 5HY,
quoting ref. 2044.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels NewYork Sydney

Hoggett Bowers
Executive Search and Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Financial Controller
Essex, c £27,500 + Car

This is a new position introduced to increase the professional expertise within the financial department of this £20m t/o British company, a market leader in the sports and leisurewear industry. The post will report to the Finance Director and have full responsibility for managing the accounting function. Key tasks will be the provision and interpretation of prompt and accurate management information, the control of foreign exchange dealings and also of stock costings.
Candidates, ideally in their early 30's, must be qualified and have previous management experience within a fmcg environment. Prospects are excellent.

M. Gould, *Ref: 21011/FT*. Male or female candidates should telephone in confidence for a Personal History Form **01-734 6852**, *6th Floor, Sutherland House, 5/6 Argyll Street,* **LONDON,** *W1V 1AD.*

Management Consultancy

Nottingham — **Negotiable salary plus car**

We are the Nottingham based practice of an International firm offering a *wide range of consultancy services to industrial, commercial and public* authority clients in the Midlands area.

We would like to hear from qualified accountants aged 28 to 40 who have practical experience in industry, commerce or the profession at management level, particularly in the following areas:

Financial Planning and Control
Management Information Systems
Feasibility Studies and Investigations
Corporate Planning and Marketing

Previous consulting experience, though not essential, would be advantageous.

Please write in confidence with full curriculum vitae stating present salary and quoting reference 60 to:

Clifford Bacon, Director,
Pannell Kerr Forster Associates,
Regent House,
Clinton Avenue,
Nottingham NG5 1AZ.

Pannell Kerr Forster Associates
MANAGEMENT CONSULTANTS

FINANCE DIRECTOR

Expanding men's, ladies' and childrens' wear group supplying designer and bulk ranges within the U.K. and abroad, offers commercial and technical challenge to young Finance Director experienced in the clothing industry, and capable of producing timely management information in a fast moving environment.

Recognised accountancy qualification essential and degree preferred.

Salary negotiable. Car provided.

Please apply with detailed c.v. to Box A9051, Financial Times, 10 Cannon St., London EC4P 4BY

Systems Development
Financial Services

Central London — **c£17,000 + mortgage etc.**

Our client is one of the UK's best known and most influential financial groups. Following a recent reorganisation it seeks a qualified accountant, preferably aged mid/late 20s, to join a newly established multi-discipline team within its largest division.

In this challenging position you will play a key role in developing a number of accounting systems and in devising management information systems for operational management.

This is an exceptional career opportunity in a rapidly changing sector of the market which will provide invaluable experience for future accounting or systems roles.

Salary is negotiable and generous benefits include a non contributory pension and subsidised mortgage.

Contact David Tod BSc FCA,
on 01-405 3499
quoting ref: D/34/FF

Lloyd Management
125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

Deputy to European Finance Director

West of London base c£18,000 + Car

Our client is a division of a highly profitable rapidly expanding U.S. Corporation with a worldwide turnover of $2BN. Continuing development in Europe has created the need to recruit a bright, young qualified accountant 27-32 with flair and initiative able to deputise for the Finance Director. The position will entail close liaison with the controllers of the European subsidiaries and will involve budgeting, forecasting, systems development, carrying out special projects and one-off investigations. If you enjoy travel and are capable and ambitious please contact R. J. Welsh.

Reginald Welsh & Partners Ltd
ACCOUNTANCY & EXECUTIVE RECRUITMENT CONSULTANTS
123/4 Newgate Street, London, EC1A 7AA. Tel: 01 600 8387

FINANCIAL DIRECTOR DESIGNATE

International investment company with *worldwide interests* and presently engaged in a vigorous expansion programme seeks a
TOP FLIGHT FINANCIAL DIRECTOR
to assume responsibility for all financial aspects of the Group. The position would involve substantial travel and eventual relocation to Brussels.
An individually tailored package with exceptional *prospects will be* offered to the right person.
Write to SG, Box A9046, Financial Times
10 Cannon Street, London EC4P 4BY

Accountancy Appointments

Operations Accounting Manager

A real challenge to make a significant impact.

Smiths Crisps, part of the successful multi-national Nabisco Group, produce and market a wide range of snack food products under the Smiths, Tudor, Planters and Big D brand names.

With a turnover in excess of £130 million and a commitment to greater business growth and profitability, our Finance function has a major impact on business planning. This means we can offer a real career challenge, with prospects to match, to a young accounting professional with sound commercial awareness.

The Operations Accounting Manager has a key objective to develop and implement control systems to identify product costs and manufacturing overheads. Another aspect will be the financial management of the Company multi-million pound capital expenditure plans. The job has functional responsibility for the management and co-ordination of manufacturing accountants located at production facilities throughout the country and will involve close contact with both factory personnel and management to director level.

This is a senior role, calling for an impressive record of relevant experience (supported by an ICMA qualification) and the strength of personality to give overall direction to our manufacturing accounting operation.

Reflecting the contribution we expect you to make, we are offering a highly attractive salary and a generous range of benefits, including a Company car. Moreover, there will be genuine opportunities for career progression within either the Company or the Group.

Please write, enclosing a full C.V. to: Keith Norton, Personnel Manager, Smiths Crisps, 121 Kings Road, Reading, Berks. Tel: (0734) 583566.

SMITHS CRISPS

NABISCO GROUP

Financial Directors

c£22,000 + Car + Benefits

Our client is a UK-based holding company which deals in a diverse range of specialist equipment and services.

Major reorganisation, designed to streamline production and enhance profitability, has created the need for two further Financial Directors to join their management teams.

Based in the South East and North West of the country, they will be responsible for costing and pricing procedures, financial management accounting and budgetary control. In addition experience of export financing procedures and both financial and factory computer applications are deemed to be important.

Aged 28 - 37, and ideally ACMA's, applicants should have an engineering-related accountancy background and a broad appreciation of systems development. They are looking for incisive and highly motivated professionals with strong interpersonal ability and commercial orientation.

If you meet these exacting requirements, you will enjoy an exceptional salary and benefits package including relocation assistance where appropriate and subsequent participation in a share incentive scheme.

Candidates should write to Don Day FCA, Executive Division, indicating the preferred location, and enclosing a comprehensive c.v., quoting ref. 262, at 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

Director – Finance and Administration

Cable and Satellite T.V.

South Wales

To £22,000 + share options

This relatively new venture supplies a range of specialist arts programmes to cable and satellite T.V. Income is derived through the sale of programmes, sponsorship and advertising. Expansion will occur through sales to new media. After an initial pilot project, the company has obtained financial backing from several substantial corporate investors and is poised to develop its activities to the full.

The position carries full responsibility for accounting and EDP systems and has the assistance of three staff. The emphasis will be on the establishment of tight financial controls, costing and the provision of meaningful management information. You will be expected to deputise for the Managing Director and supervise the company's support and administration functions.

You shoud be a qualified accountant, probably aged in your 30s. Your experience should include leading an accounting team and recent exposure to the less structured, smaller company environment. A real enthusiasm for the arts would enable you to identify with the company's objectives. The personal qualities necessary for success are strong interpersonal skills, professionalism and self motivation. The benefits will include the use of a company car.

Please reply in strictest confidence, giving concise career, personal and salary details, quoting Reference ER792 to Heather Male, Executive Selection.

Arthur Young Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young Executive Selection
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Newly Qualified ACA Major FMCG Group

West London — To £16,000

The company is one of Britain's largest with manufacturing and marketing operations throughout the world. As such, it can offer experience, training and career prospects of the highest order.

This challenging position has arisen within Group Headquarters which will involve the successful candidate in accounting and financial project work relating to part of its overseas operations. This entails providing professional accounting, financial and taxation support to, and acting as a communications link between, the Group Director for the area and Group Finance Department.

To be eligible, candidates should be Chartered Accountants in their mid-twenties, with a good academic record, a large firm background and the confidence and ability to succeed in a demanding environment.

To apply, please telephone or write quoting Ref: BB9641.

Lloyd Chapman Associates

International Search and Selection
160 New Bond Street, London W1Y 0HR.
Telephone: 01-408 1670.

Internal Audit — an international role

c. £14K

A highly successful U.S. multi national with sales in excess of $1 billion, our client is structured in product oriented divisions with bases across Europe. Due to an internal promotion it now requires a further qualified Accountant to join its U.K. based audit team.

Reporting directly to the U.S., the team's prime responsibility is to provide an internal audit service throughout Europe with a shared responsibility within the Pacific basin. To achieve this aim there is, of necessity, a high proportion of time spent outside the U.K.

The ideal candidate will:—

- ★ be educated to degree level and professionally qualified, preferably ACA, ACCA or ICMA
- ★ have a minimum of two years post qualification experience within industry or an accountancy practise
- ★ possess well developed communication skills with the ability to adapt to local cultures.

Of prime importance is your practical audit experience within manufacturing companies and a desire to further your career within a major organisation.

In addition to the negotiable salary there is a generous range of fringe benefits including relocation, if necessary, and excellent prospects world wide.

To find out more phone Simon Matthews quoting reference 192 on Newbury (0635) 48709 or write to him at:

Larkfield Associates
Personnel Consultants
Mill Reef House, 9-14 Cheap Street.
Newbury RG14 5DD

Financial Controller/ Company Secretary

Welwyn Garden City — *£25,000 + car + bonus*

Loctite UK Ltd is a subsidiary of the US corporation which leads the world market in specialist industrial and domestic high tech chemical products. The UK operation is profitable, experiencing growth, and seeks to appoint a highly professional executive to head the Finance function in Welwyn Garden City.

The successful applicant will report directly to the Managing Director and be responsible for the complete range of accounting and company secretarial duties, having a team of around 30 to assist.

This key role requires a commercial approach combined with a distinctive managerial style and would suit a Chartered Accountant who has a proven track record with a successful organisation engaged in manufacturing. A knowledge of tax and company secretarial law is essential but of paramount importance is the ability to integrate with fellow executives and to motivate a team to optimise resources and enhance company profits.

We seek an innovator with the independence and confidence to control the financial aspects of the business. The scope and potential within this organisation is excellent, in addition to the salary there is bonus potential of up to 25% of salary, a high quality car, private medical insurance and the usual benefits associated with a prestigious position.

Candidates should apply in confidence, enclosing full CV, to Barry A. Whitaker, Price Waterhouse, Executive Selection Division, 32 London Bridge Street, London SE1 9SY, and quoting reference MCS/5040.

Price Waterhouse
Business Needs Experts.

Associate Director

Finance

W. of London — c.£25K + Car plus

Our client's Group of Companies is in the Marketing Services Sector of the communications business. Its client base is impressively 'blue chip'. A public flotation, development of international relationships and new, but related business development, are all included in its strategic business plan.

The principals are energetic, hard working and successful entrepreneurs, who have stubbornly maintained their high professional standards despite the profitable growth which has been sustained throughout the decade of the Group's existence. Present turnover is c.£5M.

Professional financial expertise at Board Level will be required in the near future to supplement existing skills. The successful candidate will naturally have the technical expertise and City contacts to develop the finance and administration functions. In addition, the qualified accountant, who is likely to be aged 30 to 40, will play a significant role in the future Commercial development of the business. The salary and benefits package is highly competitive. Participation in the equity is negotiable.

Please write, in confidence, to Peter T. Willingham, attaching sufficient detail to explain why we should meet to discuss the appointment, quoting reference (66) at Spicer and Pegler Associates, Executive Selection, St. Mary Axe, London EC3A 8PJ.

Spicer and Pegler Associates
Management Services

Financial Controller

London — c £20k + car

Our client is a profitable and rapidly expanding group of companies having a £15m turnover from diverse interests including manufacturing, retail and property investment. The group's activities are located in both the North and South of England and this appointment is with those based in the London area.

Reporting to the Group M.D. you will be responsible for the accounting functions of a number of small/medium sized businesses, with emphasis on investment appraisal and project work in addition to the financial/management accounting procedures expected in a successful business.

Ideal candidates (male or female) will be 28 to 40 years of age with a relevant professional qualification and several years experience gained in a senior finance post. Knowledge of the most up to date accounting techniques is essential. The benefits package is very attractive and includes an executive car and family BUPA. Promotional prospects are excellent.

Please telephone for an application form or send a comprehensive c.v. to Roy Shepperson at GTF Consulting Group Ltd., Gothic House, Barker Gate, Nottingham, NG1 1JU. Tel: 0602 505923. Ref: RS/Q06/85.

GTF Consulting Group Ltd.
Personnel Management Consultants

European Finance Controller

c.£25,000 plus car — Manchester area

Our client, the subsidiary of a US company, engaged in the manufacture and distribution of own brand consumer products through its European agencies, wishes to make a new appointment of European Finance Controller, who will be responsible to the UK Managing Director for providing an integrated financial and management accounting service for all European activities.

Candidates must be qualified Accountants, prepared for some overseas travel, with sound experience of:

- implementation of in-house computerisation programmes, in a manufacturing environment.
- the Treasury function covering multicurrency trading activities.
- working within strict timetables and reporting systems as required by local and parent company.

And should be able to demonstrate that they have made a positive contribution at senior management level to the running of a business.

In addition to controlling the European finance function, the successful candidate will be expected to make a significant contribution to business management in exchange for an attractive comprehensive remuneration package, which includes assistance with relocation expenses.

Please send details of career, giving contact telephone numbers, quoting reference 5607/FT, to: Brian Jones, Human Resources Division,

Thornton Baker Associates Limited, Brazennose House, Brazennose Street, Manchester M2 5AX. *Interviews will be held throughout the UK.*

FINANCIAL CONTROLLER circ £16,500 + car

Excellent position offered by this West London company active in the office technical products field (turnover approx £11m) Reporting direct to the MD, applicants must be young, qualified and have the ability to communicate at all levels. Computerised accounting experience is essential. Ref: AT/280.

For further details, phone or write, quoting reference, to:

THE PERSONAL SERVICE
ACCOUNTANCY ASSOCIATES LIMITED
incorporating Accountancy Recruitment
5 VIGO STREET LONDON W1X 1AH TELEPHONE 01 439 3367 TELEX 27789

Accountancy Appointments

Construction Industry
Financial Director & Company Secretary
£35,000+

OUR CLIENT is a long established major public company in the home building, property and construction industry. Turnover is in excess of £100m p.a. with pre-tax profits of well over £10m and growing.

YOU WILL be aged 35-45, a well educated, commercially minded qualified accountant and have held senior financial management responsibility at director level.

YOUR ROLE as the Financial Director of this quoted company will include representing it and negotiating with City of London financial institutions for both routine and special purposes.

YOU WILL be able to execute the consolidation of the company accounts and discharge the role of Company Secretary with efficiency and professionalism.

YOU MUST be able to demonstrate good commercial acumen, a thoroughly professional approach to accounting and be able to play a wider corporate role as a member of a highly experienced and closely knit, cheerful management team.

THE REWARDS are excellent, both financially and for the career opportunity to join a successful and developing company. *The attractive negotiable remuneration package reflects the importance of the appointment.*

Please write or phone: John Lee, Director, Marlar International Limited, 14 Grosvenor Place, London SW1X 7HH. Telephone: 01-235 9614.

All applications are treated in complete confidence.

Director of finance
Rural West Midlands, c £22,000 + car

C&L

A young dynamic chartered accountant with entrepreneurial flair is required by our client, a highly successful housing developer in both the public and private sectors, to act as its Director of Finance.

The position will entail the development of business strategy, the financial appraisal of new concepts and ideas including initiatives on new forms of funding, management of the finances and the design and implementation of computerised management information systems.

We are looking for analytical skills, business planning experience, a solid accounting and taxation knowledge and, preferably, experience in construction/property development.

An attractive salary and benefits package is offered to the right candidate, a chartered accountant preferably aged 28-35, who can make a positive contribution to a small forward-thinking management team.

Résumés including a daytime telephone number to Alan Pacey, Executive Selection Division, Ref. R864.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

43 Temple Row
Birmingham B2 5JT

Financial Accounting Manager
Herts. c£17,500 + car

Our client, a profitable and expanding group of companies with a t/o in the region of £30m, is engaged in the manufacture and distribution of high quality materials for interior decoration. Continuing development has created the need to recruit an experienced manager to fulfil a key accounting role. Reporting to the Group Finance Director, this position will assume overall responsibility for the accounts department, comprising a team of over 30 staff.

Preferably a graduate Chartered Accountant, you are unlikely to be aged under 30 and must have at least 3 years' experience of developing a sizeable accounts department and maintaining tight reporting deadlines. Previous computerisation exposure is required as you will be responsible for the day-to-day management of the EDP function and heavily involved in the introduction of new, improved computer systems. Initiative, self motivation and a decisive attitude should be among your personal qualities.

Interested applicants should write to Nigel Bates FCA, Executive Division, enclosing a comprehensive c.v., quoting ref. 264, at 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney

ACCOUNTANTS
Looking for a varied career?

The Commonwealth Development Corporation (CDC) has a significant record of achievement in the field of development finance. It operates on a commercial basis and invests in a wide variety of projects overseas, alongside the Private Sector, Public Sector, The World Bank and European Development Banks. CDC also offers a management service primarily in the agro industrial sector.

If you are aged 27-37, are a qualified accountant, preferably with a degree and a working knowledge of French or Spanish, and have a background in industry or commerce, we could be interested in meeting you. If you join us, a significant part of your career will be spent working overseas in the developing world in our branch offices on the investment banking side or with associated companies in the development and management of their accounting systems.

We offer a generous overseas tax free remuneration and benefits package, including a non-contributory pension and insurance scheme.

If you are interested in joining us, you should write giving brief details to Mr. J. Corbet-Milward, Personnel Executive, Commonwealth Development Corporation, 33 Hill Street, London W1A 3AR, quoting Pnl Serial 2165.

CDC

Commonwealth Development Corporation

Computer Audit Manager
London

up to £20,000 + bonus + car

Our client, the Burton Group, is one of the leading multiple clothing retailers in the UK, represented on the high street by Burton, Top Shop, Dorothy Perkins, Top Man, Evans Collection and Principles.

The Group is also a leader in the development of advanced retail systems utilising computer hardware and software at the forefront of current technology. The Internal Audit and Development Department wishes to augment its team by the appointment of a Computer Audit Manager who will lead, strengthen and develop the computer audit function.

Based in the West End of London, but covering major installations in Leeds, the position is likely to be filled by a qualified accountant who has been educated to degree level and who can demonstrate well developed interpersonal and computer audit skills. Experience will probably have been gained in a prestigious organisation and include knowledge of complex data base systems.

Operating in a progressive environment, the potential for individual growth and development is first rate. You will be expected to make a significant contribution, in terms of business acumen and energy, to the development of the Group's systems.

The rewards package is generous, including an attractive salary, a bonus of up to 35% of salary, a 2.0 litre car, BUPA, staff discount facilities and other major benefits.

A comprehensive relocation package is also available.

Candidates should apply in confidence, enclosing a full CV and quoting reference MCS/5039 to:
Barrie A. Whitaker, Price Waterhouse,
Southwark Towers, 32 London Bridge Street,
London SE1 9SY.

Price Waterhouse
Business Needs Experts.

The Wellcome Trust
Qualified Accountant
Systems Development

*The Wellcome Trust is a major grant-*giving charity in the field of medical research. Currently it owns the entire share capital of the Wellcome Foundation Limited, an international group of pharmaceutical and chemical companies. The Trust has announced its intention to offer 20% of its share holding for public sale in early 1986 while retaining a strong controlling interest in the Foundation.

We are seeking a qualified Accountant to help in identifying solutions to the challenges resulting from a planned *3-fold increase in our activities. This is an* important role in an organisation where excellence is the aim and where the quality of the contribution is rewarded.

The immediate tasks will include the development and introduction of an integrated, comprehensive DP-based accounting/information system and the management of a small group of *accounting staff.*

An attractive package is available to those with the relevant experience and who are currently earning up to £16,000.

Further details and an application form, which must be returned by 11th July, 1985 **are available by writing to: Ian Macgregor, FCA Deputy Director — Finance and Administration, The Wellcome Trust, 1 Park Square West, London NW1 4LJ.**

Would you really want to recruit an Accountant who doesn't read the FT?

Does it surprise you that the FT reaches more Businessmen whose main responsibility is Finance and Accounts than any other national daily newspaper and the leading accountancy publications?*

It shouldn't. With our comprehensive and authoritative coverage of business trends, no self-respecting Accountant can afford to miss our pages.

Naturally, when looking for pastures new, they turn to our recruitment section every Thursday.

Do we need to comment further?

Call Francis Phillips on 01-248 8000 for details.

No FT...no recruitment comment.

* BMRC/Businessman Readership Survey 1984.

Company Notices

TRAFALGAR FUND
société anonyme
Registered Office:
Luxembourg, 14 rue Aldringen
Commercial Register:
Section B No. 8 198
DIVIDEND ANNOUNCEMENT

TRAFALGAR FUND SA will pay a $US0.067 *dividend per share on or after* June 21st, 1985 to holders on *record* on June 11th, 1985. Shares will be traded ex-dividend after June 11th, 1985.

The dividend is payable to holders of bearer shares against presentation of coupon No. 11 at:
Banque Generale du Luxembourg SA
27 avenue Monterey, Luxembourg
J. Henry Schroeder Wagg & Co Ltd
120 Cheapside, London EC2V 6DS

The Board of Directors

PRIVREDNA BANKA ZAGREB
U.S.$50,000,000 FLOATING RATE NOTES DUE 1988
"The Notes"

Credit Lyonnais, as fiscal agent in respect of the notes, is now in receipt of funds in respect of:

1. The principal due for redemption of the Notes, the serial numbers of which were published on 28th November 1984 and which remain outstanding, of which the due date for redemption was 28th December 1984.
2. The interest due on overdue principal on such Notes from 28th December 1984 to 20th June 1985.

Payment of the above amounts is now available to holders of Notes in accordance with their respective rights at the Notes.

CREDIT LYONNAIS
28a Boulevard Royal
Luxembourg
Fiscal Agent

ITO-YOKADO CO., LTD.
(CDRs)

The undersigned announces that as from 28th June 1985 at Kas-Associatie N.V., Spuistraat 172, Amsterdam and at Banque Generale du Luxembourg S.A. in Luxembourg div. cp. no. 27 (accompanied by an "Affidavit") of the CDRs Ito-Yokado Co. Ltd. will be payable with US$1.62 per CDR, repr. 5 Dep. Shs. of 10 shs. each, US$16.20 per CDR, repr. 50 Dep. Shs. of 10 shs. each, US$32.40 per CDR, repr. 100 Dep. Shs. of 10 shs. each (div. per record-date 02.28.1985; gross Yen 9.5 p.sh.) after deduction of 15% Japanese tax = Yen 71.25 = $-.28 per CDR, repr. 5 Dep Shs. of 10 shs. each, Yen 712.50 = $2.80 per CDR, repr. 50 Dep Shs. of 10 shs. each, Yen 1.425 = $5.60 per CDR, repr. 100 Dep. Shs. of 10 shs. each.

Without an Affidavit 20% Japanese tax = Yen 95.- = $0.38 per DR, repr. 5 Dep. Shs. of 10 shs. each, Yen 950.- = $3.80 per DR, repr. 50 Dep Shs. of 10 shs. each, Yen 1.900.- = $7.60 per CDR, repr. 100 Dep. Shs. of 10 shs. each will be deducted.

After 30.09.1985 the dividend will only be paid under deduction of 20% less tax with resp. $1.52, $15.20 and $30.40 net per CDR, repr. 5.50, 100 Dep. Shs. of 10 Shs. each, in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam,
14th June 1985

Money Market Cheque Account Jersey

Gross Rate	Compounded Annual Rate
11.50	12.13

(Minimum balance £2500)
Annual Report and Accounts available on request.
Manager, Ronnie Horne
4, Don Road, St. Helier, Jersey. Tel. 0534 38855.
BANK OF SCOTLAND
(incorporated in Edinburgh, 1695)

Exhibitions

THE GROSVENOR HOUSE ANTIQUES FAIR

Grosvenor House, Park Lane, London W1. 12-22 June 1985

June 12: 5 p.m.-7.15 p.m. June 15, 16, 22: 11 a.m.-5 p.m. Other days: 11 a.m.-8.30 p.m.
Admission (including Handbook): £6.00.

Art Galleries

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BROWSE & DARBY, 19 Cork Street, London, W1. 01-734 7984. ANTHONY EYTON. *New paintings.*

FIELDBORNE, 63, Queens Grove, NW8. Heads-Adams, Dunstan, Hockney, Gore, Spear, Weight and others. 586 3600.

LEFEVRE GALLERY, 30 Bruton St., W1. 01-493 2107. IMPORTANT XIX & XX CENTURY WORKS OF ART. 20th June–27th July, Mon-Fri 10-5, Sats 10-12.30.

LEGER, 13, Old Bond Street. Exhibition. Watercolours from Wales.

Personal

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BUSINESS LAW

Laker: a trial by ordeal

BY A. H. HERMANN, LEGAL CORRESPONDENT

"WHY DON'T they come and talk? They just throw up their arms and shout 'it's a try on!'" We were talking about the latest claim for loss of profit of some £106m made on behalf of People's Airline, the Laker/Lonrho joint venture, against British Airways, British Caledonian and other IATA airlines.

Sir Freddie Laker recalled the 1982 City drama when Lonrho came to his help offering to buy from the liquidator the aircraft and other "facilities" to enable him to continue the business of a transatlantic carrier, and possibly extend to some African routes.

Sir Freddie explained that the figure of £106m was a 10-year projection of yearly profits as estimated in 1982. "There is nothing new about this claim," he said. "It was already discussed in December, and the fact that BA's lawyers put out a tentative figure for its settlement shows that they recognise its validity." This has since been denied by BA.

Another Laker claim now being revived has already received the green light from the High Court to proceed in the United States. It is based on the allegation that the Midland Bank conspired with others to frustrate Laker Airways' financial rescue. In particular it is asserted that the receivers, appointed by Midland, improperly and without authority called home all Laker aircraft and shut down the airline, selling its critical assets at below market prices to assure that Laker would not resume operations.

Both claims, it can be seen, concern the same events which one might call the second (alleged) conspiracy to prevent Laker from doing the phoenix act, rising from the ashes; the first (alleged) conspiracy being, of course, its reduction to the ashes. Both claims were revived after the settlement negotiations came unstuck when Mr Robert M. Beckman of Beckman and Kirstein, the Washington attorney who has been steering these two and all other Laker claims through the pre-trial passages of U.S. courts, refused to accept $8m instead of the $60m which he claims as his 20 per cent share of the alleged real value of the proposed settlement, in which the figure of £65m has last been mentioned.

Anything connected with Laker's cheap air travel has always been an emotional issue. First he was the air travellers' hero, fighting the established and expensive airlines. This hero worship was only partly washed out by the disappointment of those who booked trips and could not travel after the collapse of Laker Airways. Now he seems to be rapidly becoming an anti-hero of those who would wish the privatisation of British Airways to go ahead, and are cross that the huge claims for damages brought in the U.S. courts are holding up the operation.

Before analysising these claims further, I should, therefore, declare my own bias. My feeing is that, like in every good tragedy, there are only victims in the Laker saga. In a system where one half of the air transport is regulated while the other half should obey market forces and thrive through competition, the result must be the same as if all white cars had to keep to the right side of the road, all red cars to the left, and the other colours as they choose. Such arrangements can be profitable only for the repair shops and lawyers.

To make things worse the House of Lords held† that this essentially British mixture of competition and regulation should be sorted out by U.S. courts, which were thus left with private actions for the settlement of a dispute which was really between the two governments. This difficulty was recognised in England by Lord Scarman, and in the U.S. by Judge Wilkey of the U.S. Court of Appeal, D.C. Both suggested that international arbitration could provide a better solution, a proposition which has been duly welcomed in this column but hardly anywhere else.

Guided unavoidably by their Lordships wisdom, Mr Justice Leggatt lifted last week an earlier injunction preventing Laker's liquidator from pursuing his claim against the Midland Bank and others in U.S. courts.

He held that an English plaintiff could not be stopped from proceeding in the U.S. under the U.S. anti-trust laws in respect of alleged acts committed in the UK if, (1) those acts were part of an alleged world-wide conspiracy, (2) the allegations, if proved, would disclose a good cause of action, and (3) such action could not be brought in England because the behaviour complained of was not unlawful there.

The judge also held that it was much too early to decide whether the claim was frivolons and vexatious as the Midland Bank alleged. He relied on Lord Diplock's dictum that the truth or otherwise of such an allegation could become evident only after pre-trial discovery in the U.S.

Let us take the last point first, because in fact it is the pivotal point. To be exposed to the oppressive and costly U.S. pre-trial procedures, often with a number of interlocutory judgments thrown in for good measure, with no chance of recovering the costs of defence even in the case of total victory, may compel even a very stubborn and rich company, totally convinced that the law is on its side, to settle rather than to risk the enormous legal costs.

The growing complexity of transatlantic business relations brings with them the danger that a party to a dispute will try to combine the procedural devices available on both sides of the Atlantic to its greatest advantage. The invoking of U.S. discovery of evidence may cause the other party great expense and put off the resolution of the dispute by raising preliminary issues before the trial judge as well as in superior courts.

This is so even if the main trial has to take place in an English court. Such a situation was considered by the Court of Appeal last month.†† It was reassuring to hear Lord Justice Griffiths say, with the agreement of the other two appeal judges, that in the future a party would be justified in asking foreign courts for help in discovery and evidence without referring the matter first to an English court only in entirely exceptional circumstances—for example, if there was the danger that the evidence would otherwise be destroyed. The U.S. courts could and did order discovery before the disputed issues were defined with any precision—a procedure which was not permissible in English courts as it could easily be abused for harassing the other party.

This seems to be a wise judgment. Unfortunately, the rule which it establishes can be easily avoided by starting the action in the United States, which can be done on the flimsiest of assertions.

In the Midland Bank case the alleged behaviour of the bank and of its Receiver is at least described in concrete terms, according to an affidavit sworn by Mr Beckman, Laker's U.S. attorney, presented in the High Court.

As far as the Laker/Lonrho claim is concerned, the "evidence" I was shown by Sir Freddie and Mr Paul Spicer, a Lonrho director, is hardly evidence of conspiracy. It merely shows that British Caledonian's directors thought that the re-entry of Laker into the long haul transatlantic business would have a highly disabilitating influence on British air transport. To prevent it they were considering the possibility of paying a much higher figure for the facilities in the hands of the receiver than they ultimately paid. They also thought that in this matter British Caledonian and British Airways had a common cause.

That such an interest existed is common knowledge, but its existence is no evidence of conspiracy. This would require further evidence of an agreement to act jointly, at the very least.

After the House of Lords ruling in the BA/BCal case, the deficiency of evidence is not enough to prevent proceedings in the U.S. However, there are the three conditions articulated by Mr Justice Leggatt in the Midland Bank case.

The first two, that the alleged behaviour in the UK was part of a world-wide conspiracy and that, if proved, would disclose a good cause of action under U.S. antitrust laws, are easy to satisfy.

However, the third, that the action could not be brought in England (and, therefore, the U.S. courts are the only courts which could deal with the claim), does not seem to be satisfied either in the Midland Bank case or in the Laker/Lonrho case: the EEC rules of competition defined in Articles 85 and 86 of the Treaty reflect very closely the Sherman and the Clayton Acts of the United States and are part of English law.

Claims under the EEC competition rules can be pursued by private actions in English courts. There is no need to go for this to the U.S. unless one aims for a trial by the ordeal of discovery and other preliminary torture.

** Midland Bank and another v Laker Airways and others, FT Commercial Law Reports June 14 1985.*

† BA v Laker Airways and others; British Caledonian v Laker, Laker Airways v Secretary of State, Financial Times Commercial Law Report July 24 1984; see also this column July 26 1984.

†† South Carolina Insurance Co v Assurantie Maatshappij "De Zeven Provincien" and others, FT Commercial Law Reports June 19 1985.

F.T. CROSSWORD PUZZLE No. 5,748

ACROSS

1 Convince it's fantasy (4,7)
7 Go after a rise (3)
9 Crow-bar? (5)
10 Command a forward view across the square (4,5)
11 and 16 down: Having a far-away look? (6,3,4,4)
12 The atmosphere in a small company may be capital (5)
13 Strongly disapproves of what a model does after work (7)
15 River on course (4)
18 Boiled sweet that's no good (4)
20 Beat gold in the open air (7)
23 Rep. may get an order (5)
24 A list and a record in acute disorder (9)
26 Team result is not the main topic of conversation (4,5)
27 A gift for dishonesty? (5)
28 Hide outside? (3)
29 Craftsman who has an inflationary effect on his products (5-6)

DOWN

1 Battle remembered in the long run (8)
2 Court practices, perhaps (5-3)
3 Stick no label upside-down (5)
4 Real setback for Ophelia's brother (7)
5 Mountain woman who was tempted to take things easy (7)
6 In effect I turn out to be capable (9)
7 Alien apparently out of hearing (6)
8 Base Shakesperian character (6)
14 Sitting down occupation (9)
16 See 11 across
17 A priceless local attraction (4,4)
19 It's a bloomer if such a change is made (7)
20 Fifty set out perhaps, to find means of escape (7)
21 High rise central block (6)
22 One who cares is easily hurt (6)
25 It goes on record (5)

Solution to Puzzle No. 5,747

PIRACY ASSORTED
RATTAN PLEASANT
EVILLY IMPLYING
ALEXIS INN
NOTICES DEBATE
BOX NO LONGER DECENT
MADRIGAL PATENT
LIEGEMEN LETTER

APPOINTMENTS

Senior posts at Hambros Bank

The following have been appointed assistant directors of HAMBROS BANK. Mr P. L. Binder, Mr J. D. Hicks, Mr N. R. Craig Harvey, Mr A. E. Martin Smith, corporate finance division; Mr A. W. Malmann, Mr T. J. M. Rawe, Mr D. J. Walls, international debt issues division; Mr A. C. Plummer, Mr T. H. Nicholls, investment management division; Mr C. E. Palmstierna, Mr J. D. Blumson, international division; Mr R. A. Thomas, Mr K. T. Williams, Mr G. L. Steward, foreign exchange division; Mr A. C. Colao, Mr C. E. Wilson, general banking division; and Mr A. F. Brignall, central services.

★

BARDON HILL GROUP has made three changes to the boards of subsidiary companies. Mr aPtrick Coker, who recently joined the group from Galliford Civil Engineering, has been appointed marketing director of Bardon Hill Quarries; Mr Gordon Phipps becomes servicing director of Bardon Hill Contractors; and Mr James Botterill has joined the board of Steer Plant Hire, as operations controller.

★

Mr David Robson, Mr David Reid Scott and Mr George Peterkin Jnr have been appointed directors of MERRETT HOLDINGS. Mr Robson joined the group in 1984 as chief executive of Creechurch Syndicate Managers. Mr Scott (non-executive) is an executive director of Phoenix Securities. Mr Peterkin (non-executive) lives in Houston, Texas, and is president of Kirby Exploration Company Inc.

★

Mr John Groom has been appointed deputy press relations manager of NATIONAL WESTMINSTER BANK'S business development division. He succeeds Mr Michael Burmester, who becomes commercial sector marketing manager, domestic banking division. Mr Groom was regional marketing manager of Deutsche Westminster Bank in Frankfurt. Mr J. David Hewitt has been appointed manager of NatWest's Hong Kong branch. He was assistant manager of International Westminster Bank's commercial loans department.

★

Mr Bjorn Haggren has been appointed director of PK CHRISTIANA BANK (UK) in London. He is also chief representative in Tokyo.

★

LEIGH INTERESTS has appointed Mr K. Pearson as a director of MJI CORPORATION.

★

BRITISH AIRWAYS PENSIONS has appointed Mr Peter Moon as equities manager from July 1. His responsibilities will cover the investment manage-

Mr John Nash, Mr Tim Church and Mr Colin Amies have been appointed directors of ADVENT.

★

Following the Bank of England's approval of the application of GREENWELL MONTAGU GILT-EDGED to be a gilt-edged market maker, Mr J. A. Rickards has been appointed managing director trading, and Mr S. J. D. Posford and Mr A Reid have been appointed directors of trading.

★

Mr E. A. Wall has been appointed a director of the NATIONAL FREIGHT CONSORTIUM. He heads overseas operations and is managing director, NFC International Holdings and president of National Freight Company International Holdings (USA). He is currently based in the U.S., which is at the centre of NFC's plans for international expansion.

★

The VICTORY REINSURANCE COMPANY has appointed Mr Norman Brooks, as assistant general manager with responsibility for the general insurance division. He has recently returned to London following a 5-year secondment as manager of Victory's Far Eastern operation based in Hong Kong.

★

Mr Ian McNeil, formerly a director of PE Consulting Group, has taken over as managing director of JOB CREATION from Mr Paddy Naylor, the chairman, who will concentrate on developing the company's international business. Mr Ivor Richard until recently a member of the Commission of the European Communities, and Mr Jim Donaldson, also join the board.

★

REED EMPLOYMENT has recruited a marketing director, Mr Mike Timmons. He was marketing manager with E. R. Howard.

★

REGINA-FIBREGLASS has made three board appointments: Mr Terry Aveyard, formerly sales manager, becomes sales director. Mr Geoff Smith becomes works director, having joined Regina in 1975 as works manager. Mr Peter Hotham, who joined Regina in 1965 as accountant and company secretary, takes up the position of financial director.

★

FIELDING JUGGINS MONEY AND STEWART has appointed Mr Michael Jones and Mr Ian Brook directors.

★

Mr R. J. Carlier, Mr R. K. Cooney, Mr R. W. C. Cullum, Mr I. Genders, Mr R. W. Pavely and Mr A. J. Sadler have been appointed to the board of J. H. MINET & CO.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
80, Holdenhurst Rd., Bournemouth BH8 8AL. 0345 717373 (Linkline)

High Income				
Gilts & Fixed Int.	110.9	117.3	+0.4	10.23
High Inc Equity	72.5	77.1	+0.4	6.42
Worldwide Bond	143.7	152.9	-1.0	6.34
Capital Growth				
American Growth	133.5	142.0	+0.1	1.53
Asian Pacific	46.9	48.9	+1.0	2.50
Assets & Ernqs. Tt.	75.2	80.5		2.71
Capital Reserve	57.2	57.6	+0.2	
Commodity & Energy	68.1	73.2	+0.5	3.54
General	105.3	112.4		2.80
Japan	151.7	163.2	-1.0	—
UK Growth Acc Units	105.0	111.9		—
UK Growth Dist	73.2	78.7		1.96
U.S. Emerging Co's	54.7	58.5	-0.4	0.44
Exempt Prog	157.9	168.9	-0.3	3.06

Aitken Hume
30, City Road, EC1Y 2AY. 01-628 6626

American Tech Fd	97.0	103.8	-1.1	0.10
Pacific Fd	118.6	126.9	+0.1	0.20
Secured Income Fd	140.6	150.4	-0.6	5.50
Special Sits	160.8	172.0	-0.8	1.56
Energy Fd	34.3	36.7	-0.2	0.60
American Majors	57.2	61.2	-0.4	1.56
Small Co's Fd (10for1)	29.5	31.5		1.97
Jap. Technology	53.9	57.6	-1.4	0.10
International Income	50.5	54.0	+0.3	7.00
Exempt	443.6	474.6		—

Allied Unit Trusts Limited (a)(g)
Allied Hambro House, Hutton, Brentwood, Essex

[illegible]

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Pearl Trust Managers Ltd. (a)(g)
252, High Holborn, WC1V 7EB. 01-405 8441

Pearl Growth Fd.	62.8	66.8	-0.1	3.41
Accum Units	92.8	98.7	-0.2	3.41
Pearl Inc.	87.8	93.4		4.95
Pearl Unit Ts.	91.5	97.3xd	-0.1	4.11
(Accum. Units)	154.7	164.6	-0.1	4.11

Perpetual Unit Trust Mngmt. (a)
48, Hart Street, Henley on Thames. 0491 576868

Growth	179.9	193.2	-0.5	1.49
Income	136.5	146.2		5.42
Worldwide Recovery	103.1	110.7	-0.2	2.10
American Growth	55.7	59.8	-0.6	0.85
Intl. Emerging Cos.	58.0	62.3	-0.5	0.77
Far East Growth Fd.	46.5	49.9	-0.4	1.00

Prolific Unit Trusts
222, Bishopsgate, EC2. 01-247 7544/7

Prolific Far East	101.5	108.7	-0.4	0.31
Prolific Extra Inc.	62.0	66.0xd	+0.1	5.75
Prolific Gilt Cap.	80.1	83.4	+0.7	3.30
Prolific High Inc.	127.8	136.0	+0.2	5.17
Prolific Intl.	83.2	89.1	-0.2	1.59
Prolific N. Amer.	115.2	123.4	-1.3	1.58
Prolific Spec. Sits.	142.0	151.1xd	+0.5	1.61
Prolific Technology	103.4	110.8xd	-1.2	0.95

Providence Capitol Fd. Mgrs. Ltd.
30 Uxbridge Road, London, W12 8PG. 01-749 9111

Japan Trust	48.4	51.7	-0.8	0.00
Worldwide	47.5	50.3	-0.2	1.63
European Trust	47.5	50.3	-0.1	1.71
North American	51.3	54.3	-0.8	2.10
UK Equity	49.6	52.5	+0.1	3.89

Prudential Unit Trust Mngrs Ltd. (a) (b) (c)
51-59, Ilford Hill, Ilford, Essex, IG1 2DL. 01-478 3377

Holborn Equity Tst.	317.8	338.0	-0.4	3.74
Holborn Gilt Tst.	149.9	157.0	+0.9	8.77
Holborn High Inc.	53.1	56.0xd	+0.2	7.65
Holborn Intl.	56.8	60.4	-0.2	0.60
Holborn UK Growth	62.8	66.8	----	3.15

Quilter Management Co. Ltd.
31-45 Gresham Street, EC2. 01-600 4177

Quadrant Gen. Fd.	313.5	333.6	----	3.54
Quadrant Income	179.5	189.0	----	6.32
Quadrant Intl. Fund	300.6	316.5	----	1.50
Quadrant Recovery	193.9	204.2	----	2.82

Reed Stenhouse Inv Services Ltd
145 Borough High St, Ldn SE1 1NV 01-628 6011

Wellington Inc.	48.6	51.7	----	6.00
Wellington Growth	100.2	106.6	----	2.00

Reliance Unit Mgrs. Ltd.
Reliance Hse, Tunbridge Wells, Kent. 0892 22271

British Life	131.8	139.4	-0.4	4.65
Reliance Unit Tst (Inc)	84.8	90.6	----	4.21
Reliance Ut Tst (Acc)	109.4	116.9	----	4.21

Ridgefield Management Ltd.
35 Fountain St, Manchester M2 2AF. 061-236 5685

Income UT	91.6	97.9xd	+1.0	6.90
International UT	211.5	226.2xd	-0.5	1.00

N.M. Rothschild Asset Management
St Swithin's Lane, London EC4. 01-280 5456

NC America (Inc)	229.5	241.5	-1.8	1.38
NC America (Acc)	243.8	256.6	-1.9	1.38
NC Engy Res. Tst.	159.9	168.3	-2.1	2.44
NC Inc Fd.	67.9	71.4xd	+0.2	4.99
NC Japan Fund	106.6	112.2	-1.6	0.02
NC Smaller Cos	106.2	111.7	+0.1	2.11
NC Smaller European	99.7	104.9	-0.9	0.84
NC Exempt Gilt Tst*	£117.0	122.0	....	11.00
NC American Prop*	$11.21	11.80xd	....	—
NC Prop.*	185.0	194.8	....	—

*Unauthorised Unit Trusts.

Rowan Unit Trust Mngt. (a)
1 Finsbury Av, London, EC2M 2PA. 01-606 1066

American June 13	194.5	198.5	----	1.54
Securities June 18	535.0	550.0	----	2.46

TSB Unit Trusts (b) (c) (y)
PO Box 3, Keens Hse, Andover, Hants, SP10 1PG
0264 62188. Dealings to 0264 63432-3

TSB American	95.0	101.5	-1.5	1.22
Do. Accum.	98.2	104.5	-1.5	1.22
TSB Extra Income	85.7	91.2	-0.1	6.18
Do. Accum.	95.4	101.5	-0.1	6.18
TSB General	117.9	125.4	....	3.35
Do. Accum.	188.0	200.0	-0.1	3.35
TSB Gilt & Fxd Int.	46.8	48.8	+0.2	9.46
Do. Accum.	56.5	58.9	+0.3	9.46
TSB Income	160.2	170.5xd	-0.2	4.96
Do. Accum.	241.5	257.0	+0.2	4.96
TSB Pacific	103.3	109.9xd	-0.1	1.07
Do. Accum.	105.9	112.7	-0.1	1.07
TSB International	225.8	240.3	-1.3	1.92
Do. Accum.	274.8	292.4	-1.7	1.92
Natural Resources	45.7	48.7	+0.2	2.64
Do. Accum.	46.2	49.2	+0.2	2.64
TSB Sicd. Opps.	46.9	49.9	....	2.47
Do. Accum.	50.4	53.7	....	2.47

3i & Target Fund Mgrs Ltd
Target House, Gatehouse Road, Aylesbury, Bucks
Aylesbury (0296) 5941

Small Co's Fund	64.6	69.1	-1.0	0.10

Target Trust Mngrs. Ltd. (a)(g)
Target Hse, Gatehse. Rd, Aylesbury Bks (0296) 5941

American Eagle	66.7	71.9xd	-1.0	0.26
Australia	25.6	27.3	-0.4	0.10
Commodity	93.2	100.2		1.72
Energy	42.7	45.7	-0.1	0.76
Equity	98.6	105.2xd	-0.2	3.76
European Spec. Sits.	50.1	53.6	....	0.93
Extra Income	92.4	98.8	....	7.34
Financial	199.4	212.7xd	+1.2	2.90
Gilt Capital	213.8	223.9	+0.7	3.25
Gilt Income	101.3	106.1xd	+0.7	9.03
Gold Income	64.0	68.5	+1.2	2.23
Gold Acc.	115.7	123.7	+1.7	2.23
Income	57.5	62.0xd	+0.4	6.04
Japan	44.0	46.9	....	0.10
Malaysia & Singapore	25.2	26.9	-0.4	1.10
Pacific Income	65.9	70.5	+0.8	0.88
Pacific Re Inv	80.0	85.6	+0.9	0.88
Preference Share	15.9	17.2	+0.2	10.07
Professional	476.7	508.5	-0.3	1.71

Barclays Life Assur. Co. Ltd.
252 Romford Road, E7. 01-534 5544

Barclaybond (z)	283.0	297.9	+0.4	—
Equity Accum. (z)	324.5	341.3	+1.1	—
Do. Initial (z)	296.5	312.2	+1.0	—
Gilt-edged Accum. (z)	182.0	191.6	+0.4	—
‡Do. Initial (z)	167.9	176.8	+0.4	—
International Acc. (z)	198.0	208.5	-1.3	—
Do. Initial (z)	181.8	191.4	-1.3	—
Managed Acc (z)	241.3	254.0	+0.3	—
Do. Initial (z)	221.5	233.2	+0.2	—
Money Acc (z)	160.7	169.2	....	—
Do. Initial (z)	144.6	152.3	....	—
Property Acc. (z)	205.3	216.2	....	—
Do. Initial (z)	189.7	199.7	-0.9	—
America Acc (z)	154.6	162.8	-0.8	—
Do. Initial (z)	118.3	124.6	-0.8	—

Cornhill Insurance PLC
57 Ladymead, Guildford. 0483 68161

Equity Fd June 5	188.0	198.0	----	—
Fixed Int June 5	142.0	149.5	----	—
Man Growth June 5	404.5	426.0	----	—
Money Fd June 5	129.0	136.0	----	—
Cap Fd May 15		304.5		—
G.&S. Spec Fd May 15		129.5		—
Far Eastern Equity	114.5	121.0	----	—
N. Amer'l. Equity	116.5	123.0	----	—
Int'l Technology	99.5	105.0	----	—
Property	106.0	112.0	----	—

Credit & Commerce Life Ass. Ltd.
74, Shepherds Bush Green, W12 8SD 01-740 7070

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance		159.99	----	—
Landbank Secs.		66.23	----	—
Landbank Secs. Acc.	208.96	203.74	----	—
G. & S. Super Fd.		£12.022		—

Guardian Royal Exchange
Royal Exchange, EC3. 01-283 7101

Guardian Assurance Property Bonds	341.4	355.6	----	—

GRE Linked Life Assurance Ltd.

Managed Initial	254.5	267.8	-0.6	—
Do. Accum.	293.3	308.7	-0.7	—
Equity Initial	333.8	351.5	-0.3	—
Do. Accum.	384.8	405.1	-0.4	—

Legal & General (U.A.)—Contd.
Kingswood House, Kingswood, Tadworth, Surrey KT20 6EU Burgh Heath 53456

Ex. Bldg. Soc. Lnkd.	97.9	103.1	+0.1	12.5
Do. Accum.	99.1	104.6	....	12.5
Exempt Cash Init.	176.0	185.3	+0.1	—
Do. Accum.	224.7	236.6	+0.1	—
Exempt Eqty. Init.	498.5	524.8	-0.1	—
Do. Accum.	636.4	669.9	-0.2	—
Exempt Fixed Init.	291.7	307.1	+1.7	—
Do. Accum.	372.5	392.2	+2.4	—
Ex. Index Lnk. Gilt.	99.8	105.1	....	—
Do. Accum.	108.9	114.7	....	—
Exempt Intl. Initial	146.5	154.3	-0.3	—
Do. Accum.	167.8	176.7	-0.3	—
Exempt Mngd. Init.	388.6	409.1	+0.4	—
Do. Accum.	496.1	522.3	+0.6	—

Manufacturers Life Insurance Co (UK)
St George's Way, Stevenage. 0438 356101

Managed	284.0	298.9	....	—
Property	230.9	243.0	....	—
Equity	301.7	317.6	....	—
Gilt Edged	295.6	311.3	....	—
Deposit	171.3	180.3	....	—
Investment	126.3	132.6	....	—
International	240.3	252.9	....	—

Pension Fund Prices

Managed Init.		203.7	-1.8	—
Do. Accum.		231.1	-1.7	—
Property Init.		196.1	+3.3	—
Do. Accum.		225.5	+6.9	—
Equity Init.		227.1	-4.0	—
Do. Accum.		257.4	-5.6	—
Gilt-Edged Init.		189.4	+1.3	—
Do. Accum.		214.9	+1.5	—
Guaranteed Init.		132.8	+0.2	—
Do. Accum.		150.8	+0.3	—
International Init.		289.3	-7.9	—
Do. Accum.		323.5	-9.0	—
Index Lk. Gilt Init.		119.0	-0.7	—
Do. Accum.		135.0	-0.7	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		293.7	....	—
Property Fund (A)		283.7	....	—
Agricultural Fund		1,046.2	....	—
Agric. Fund (A)		1,010.8	....	—
Abbey Nat. Fund		242.8	....	—
Abbey Nat. Fd. (A)	157.0	241.2	....	—
Investment Fund		151.3	+0.3	—
Investment Fund (A)		548.3	+0.3	—
Equity Fund		535.8	+0.1	—
Equity Fund (A)		268.7	+0.1	—
Money Fund		239.3	....	—
Money Fund (A)		262.1	....	—
Actuarial Fund		207.0	+0.3	—
Gilt-Edged Fund		207.0	+0.3	—
Gilt-Edged Fd. (A)		400.0	....	—
Retire Annuity		201.0	....	—
Immed. Ann'ty		280.3	....	—
International Fd.		119.8	....	—

Property Growth Pensions & Annuities Ltd.

All Weather Ac. Uts.	333.2	350.8	....	—
Inv. Fd. Uts.		358.2	....	—
Pension Fd. Uts.		299.8	+0.2	—
Conv. Pens. Fd.		363.0	+0.1	—
Cnv. Pns. Cap. Ut.		255.7	....	—
Man. Pens. Fd.		426.0	....	—
Man. Pens. Cap. Ut.		312.7	....	—

INSURANCES

INSURANCE, OVERSEAS & MONEY FUNDS

Scottish Equitable Life Assce. Soc.
31, St Andrew Sq, Edinburgh 031 556 9101

Mixed	214.6	225.9	+0.2	—
Equity	239.1	251.7	-0.1	—
Property	119.9	126.3		—
Fixed Interest	128.8	135.6	+0.5	—
International	220.3	231.9		—
Index Linked	108.7	114.5	-0.1	—
Cash	120.67	127.02	+0.04	—
Edinburgh Inc.	109.8	115.6	-1.1	—
Edinburgh American	110.8	116.7	-0.7	—
Baillie Gifford Japan	97.9	103.1	-1.1	—

Scottish Life Investments
19 St Andrew Square, Edinburgh. 031-225 2211

Property	104.8	110.4	—	—
UK Equity	122.2	128.7	-0.1	—
American	129.9	136.9	-1.6	—
Pacific	98.9	104.2	-0.7	—
European	117.8	124.1	-0.3	—
International	113.7	119.8	-0.8	—
Fixed Interest	102.2	107.7	+0.7	—
Index Linked	100.4	105.8	-0.4	—
Deposit	102.8	108.3		—
Managed	110.8	116.7	-0.2	—
Pens. Property	108.0	114.4		—
Pens. UK Equity	128.7	135.6	-0.3	—
Pens. American	137.4	144.7	-2.1	—
Pens. Pacific	100.8	106.2	-0.7	—
Pens. European	123.1	129.7	-0.3	—
Pens. International	119.0	125.3	-1.1	—
Pens. Fixed Int.	105.4	111.1	+0.7	—
Pens. Index Linked	103.4	108.9	-0.1	—
Pens. Deposit	108.3	114.1	+0.1	—
Pens. Managed	115.2	121.4	-0.2	—

Scottish Mutual Assurance Society
109 St Vincent St, Glasgow 041-248 6321

Flex End April 20	619.4	638.6	--	—
Pen Mixed April 30	421.8	436.8		

Sun Life Unit Assurance Ltd.
St James Barton, Bristol BS99 7SL. 0272 426911

Managed Acc.	315.8	332.5		—
Property Acc.	196.8	207.2		—
Equity Acc.	436.1	459.1		—
Fixed Interest Acc.	182.4	192.0		—
Index-Linked Acc.	103.4	108.9		—
Cash Acc.	166.1	174.9		—
American Equity Acc.	178.3	187.7		—
U.S. Bonds Acc.	108.7	114.5		—
Japan Acc.	113.9	119.9		—
Pacific Acc.	101.4	106.8		—
Far Eastern Acc.	236.4	248.9		—
International Acc.	224.7	236.4		—
U.S. Dollar Acc.	103.1	108.6		—
Yen Acc.	96.8	101.9		—
European Currency Acc.	95.4	100.5		—
Distribution	142.1	149.6		10.11

Sun Life Pensions Management Ltd
Funds for individual pension contracts

Pens. Managed Acc.	312.8	329.3		—
Pens. Property Acc.	160.0	168.5		—
Pens. Equity Acc.	394.5	415.3		—
Pens. F. Interest Acc.	172.3	182.5		—
Pens. Ind. Lnkd. Acc.	105.8	111.4		—
Pens. Cash Acc.	168.0	176.9		—
Pens. Amer. Equity Acc.	147.8	155.6		—
Pens. U.S. Bonds Acc.	127.5	134.3		—
Pens. Japan Acc.	119.7	126.1		—
Pens. Pacific Acc.	122.7	129.2		—
Pens. Far Eastern Acc.	354.6	373.3		—
Pens. Internat. Acc.	292.9	302.4		—
Pens. U.S. Dollar Acc.	108.7	114.5		—
Pens. Yen Acc.	100.4	105.7		—
Pens. Euro. Curr. Acc.	94.9	99.9		—

Swiss Life Pensions Ltd
99-101 London Rd, Sevenoaks. 0732-450161

World Fund S.A.
2 Boulevard Royal, Luxembourg

World Fund NAV	$12.76	—	+0.16	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd.	$12.48	—		—

Inv. Adv. M. & G. Inv. Mngt., Ltd., London.

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Advanced Tech	$9.02	—	-0.09	—
Dynamic Gwth Fd.	$8.17	—		—

OFFSHORE AND OVERSEAS

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Charities Deposit Fund				
77 London Wall, London EC2N 1DB				01-588 1815
Deposit	12.2	—	—	3-Mth
The Money Market Trust				
63 Qn Victoria St, EC4N 4ST.				01-236 0952
Call Fnd	12.34	9.22	13.44	Mth
7-day Fnd	12.77	9.55	14.13	Mth
Oppenheimer Money Management Ltd				
66 Cannon St, EC4N 6AE.				01-236 1425
Call Fnd	12.12	9.06	13.36	6-Mth
7-day Fund	12.35	9.23	13.62	6-Mth
Dollar	6.12	—	—	6-Mth
Money Mngt. Acct.	12.00	—	—	3-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Adam & Co. plc				
22 Charlotte Sq. Edinburgh, EH2 4DF				031-225 8484
Full Service Cur Acc.	12.25	8.75	13.09	Qtr
Aitken Hume				
30 City Road, EC1Y 2AY.				01-638 6070
Treasury Acc.	12.375	9.25	13.07	Qtr
Man. Int. Chq.	12.25	9.16	13.90	Mth
Bank of Scotland				
38 Threadneedle St, EC2P 2EH				01-628 8060
Cheque Acc.	11.50	8.54	12.77	Mth
Barclays Prime Account				
PO Box 125, Northampton				0604 252891

OPTIONS

3-month call rates

COMMODITIES AND AGRICULTURE

George Milling-Stanley looks at moves to undermine De Beers' monopoly

Zaire renews threat to diamond cartel

IT WAS former world heavy-weight boxing champion Muhammed Ali who coined the phrase "the rumble in the jungle" to describe a title fight of his in Kinshasa, capital of Zaire in central Africa. But if the latest rumblings from that city prove reliable, there could be far more money at stake than even the fabulous purses the former champ used to command.

De Beers' Central Selling Organisation (CSO), the complex web of interlocking companies which has dominated the world trade in rough (uncut) diamonds for 50 years, had its nose bloodied in May 1981 when the Government of Zaire decided it could make more money out of its considerable volume production of diamonds by selling outside the CSO.

The decision marked the end of what had been up to that point an uninterrupted, if at times uneasy, relationship of 14 years' standing. However, Zaire's timing was bad. The diamond market was moving into a severe recession, and revenues fell well below expectations.

Just under two years later, Zaire bowed to combined pressure from the CSO and the World Bank, which was considering making a contribution towards the vital refurbishment of the Miba mine, the country's biggest. A return to the fold became inevitable, but the authorities were canny enough to limit the duration of their new contract with the CSO to two years.

That contract expired three months ago, but contrary to expectations, its renewal was not automatic. The CSO, otherwise known as "The Syndicate," confines its comments to saying that "negotiations are continuing," but the fact that no new agreement has been reached after three months of talks could be significant.

The suggestion that the last delivery of a month's production of diamonds from the Miba mine to Kinshasa has been sold outside the CSO could be even more important.

Zaire's resumption of its traditional relationship with the Syndicate in March 1983 was clearly a case of "round 1 to the CSO." The consequences of a renewal of the struggle between the CSO and one of its leading suppliers would be much more serious

Antagonism towards South Africa is running much higher among the neighbouring black states than was the case four years ago, owing to a combination of the recent unrest in the country, the armed incursion into Botswana and the installation of a South African-sponsored interim government in Namibia.

This can only intensify the pressure which will be brought to bear on the other diamond-producing countries, Botswana, Angola and Tanzania, to sever their connections with Pretoria.

Further, in spite of recent expressions of optimism from the CSO, the market has still not returned to a state of balance

The CSO expects to stockpile diamonds whenever demand is poor, as it has been now for four years. The task of smoothing out short-term fluctuations in demand was one of the principal reasons behind the organisation's formation by Sir Ernest Oppenheimer 50 years ago.

Nevertheless, the duration and severity of the latest downturn in demand have seriously strained the ability of the CSO, and of the groups associated with it, to finance the operation.

De Beers, for instance, has long been regarded as a sort of "cash cow" of Anglo American Corporation, ready on demand to fund the group's ambitious expansion in gold and other mining and industrial ventures. That is no longer the case, and in fact De Beers recently found itself in the unaccustomed role of having to borrow from Anglo to finance its growing stockpile.

Diamond stocks at the end of 1984 were valued at not far short of R4bn (£1.6bn). While that figure is in part a reflection of the depreciation in the value of the South African rand against the U.S. dollar, it is nevertheless disturbing when viewed in the context of annual sales by the CSO of under R2bn.

Beyond that, reported CSO stocks do not tell the full story of how serious the oversupply position has become. Stocks at the mines, both within the De Beers group and at mines belonging to outside suppliers, are thought to be at unprecedented levels, and this at a time when huge new supplies from Australia are about to flood into the CSO's vaults.

A second withdrawal by Zaire would not be the worst thing that could happen to the CSO at present. That, without any argument, would be another downturn in economic activity in the industrialised world, especially the U.S., which is by far the largest market for diamond jewellery.

In any event, Zaire could probably be persuaded to toe the line again fairly rapidly. With diamond stocks as high as they are, and the large Australian production of mainly industrial stones imminent, the CSO would have no trouble in adjusting the flow to the market so that Zaire quickly suffered the financial consequences of any further disloyalty.

Nevertheless, the CSO would certainly not relish any weakening of its grasp on the market, which at this point is arguably weaker than it has been for many years. This is the real significance of the negotiations which are currently taking place over the future destination of Zaire's diamond production.

Financial uncertainty cuts farm borrowing

By Our Commodities Staff

UNCERTAINTY about the financial prospects of the farming industry has caused a sharp reduction in farmer borrowing, the Agricultural Mortgage Corporation says in its annual report.

In the six months to mid-February bank lending to farmers fell in absolute terms for the first time in many years and the corporation's lending was down even more sharply. In the year to March 31 it lent £52m compared with £66m in the previous year and in the second half of the year its net lending was running at a rate equivalent to an annual level of only £25m.

The change in trend was mainly due to a general slackening in demand for new finance, it said. But it also partly reflected farmers selling assets in order to reduce their borrowing burden.

● THE AVERAGE price for teas sold at the London auctions this week dropped to a 27-month low of 127.46p a kilo, the Tea Brokers Association reported. It was 129.92 the previous week and 226.05 at the same time a year ago. The average price for 495,812 packages sold in London so far this year is 207.73p against 263.07p in the same period last year.

● NELSON BUNKER HUNT and his brother Herbert, have formally denied charges brought by the U.S. Commodity Futures Trading Commission that they participated in an illegal scheme to drive up silver futures prices in 1979 and 1980. The charges were also formally rejected by Conti Commodity Services, and International Metals Investment Company, a Bermuda company the CFTC said was formed by the Hunts and Saudi Arabian investors.

● AS FROM July 1 the afternoon trading hours on the Baltic Freight Futures Exchange (Biffex) will be changed to run from 14.30 to 16.15 (London time). The opening and morning session remains the same at 10.15 to 12.30.

General fall in metal values

BY OUR COMMODITIES EDITOR

BASE METAL prices came under renewed pressure on the London Metal Exchange yesterday reflecting the upward trend in the value of sterling against the dollar, although this was reversed in late afternoon trading.

Copper was also hit by an easing in the shortage of immediately available supplies, which earlier this week sharply narrowed the gap between the cash and three months prices. Yesterday the higher grade cash price lost £14 to £1,115.5 a tonne, while the three months quotation was £8.5 down at £1,128.25 a tonne.

Aluminium held steady while traders awaited th May production figures due to be issued by the International Primary Aluminium Institute today. Tin was sustained by continued support buying by the buffer stock of the International Tin Council.

However, lead, nickel and zinc all lost ground. Lead regained most of the early losses in late trading, but zinc values continued their recent downward spiral to the lowest level since October 1983. The three months standard zinc price closed £9 lower at £557.5 a tonne and is now £265 below the 15-year peak reached in March this year.

George Milling - Stanley writes: The lead and zinc mining industries have a "viable long term future" provided that the producers demonstrate a proper sense of commitment, Sir Alistair Frame, chairman of Rio Tinto-Zinc, told yesterday's opening session of the Lead and Zinc 2000 conference in London.

In his keynote address to the conference, organised by the Lead and Zinc Development Associations, Sir Alistair told delegates it was important to ensure that both metals were promoted intensively, but specifically in those end uses which best exploit their intrinsic properties.

That, he explained, was the only way to ensure the future, which should be accompanied by "gradually expanding markets and acceptable, but perhaps not exciting, rates of return to efficient producers."

Sir Alistair also warned delegates of the severe impact of price increases on consumption patterns, pointing out that "the natural response of consumers when prices rise steeply is to economise on usage, to run down raw material inventories and to search for substitutes."

EEC plans sugar price talks

BY IVO DAWNAY IN BRUSSELS

THE EUROPEAN Commission has agreed to discuss again with ministers an offer to African, Caribbean and Pacific (ACP) countries of 1.15 per cent in price rises for their guaranteed sales of 1.4m tonnes of sugar into the Community market.

The ACP is angry that the EEC has offered a lower price rise for their raw sugar than the 1.3 per cent given to its own white sugar refiners, claiming that once again the Community is discriminating against third countries.

But though the issue will again be put to ministers, Mr Frans Andriessen, the Farm Commission, has held out little hope that the figures will be changed. He argues that the Community's position is consistent with agreements, adding that the final figures derive from the decision to give EEC producers no price rise for beet but simply a 3.5 per cent increase in the refining and processing margin.

"The Community sugar industry receives a much smaller net price than I am now imposing on you," he told the ACP officials this week.

Mr Andriessen went on to insist that the existing market circumstances made it "impossible" to have different guaranteed prices for ACP and Community sugar. He rejected ACP claims that insufficient attention had been paid to its case.

New talks are expected to be held, possibly by the beginning of July, to resolve the question. But there is little likelihood of a change in the EEC position.

Our Commodities Staff writes: The European Commission authorised the export of 48,050 tonnes of white (refined) sugar, with a maximum rebate of 44.519 European currency units a 100 kilos at its weekly selling tender yesterday. It also authorised the export of 6,000 tonnes of raw sugar, with a maximum rebate of 40.954 units.

The tonnage authorised for export, and rebates offered, were in line with expectations.

However values fell back sharply on the London futures market, reflecting the lack of fresh buying interest from consumers and the depressed outlook.

U.S. administration backs farmers in shipping row

BY OUR COMMODITIES STAFF

The Reagan Administration has changed its mind and decided to back moves to exclude commercial agricultural export programmes from cargo preference requirements that at least 50 per cent of government aided shipments should be carried on U.S. flag vessels. It was feared that the higher costs involved in using U.S. vessels would torpedo the special agricultural programmes being launched by the U.S. Department of Agriculture to recover markets being lost to the European Community.

Mr David Stockman, Director of the Office of Management and Budget in Washington in a letter to Republican Senator Don Nickles, claimed "it has never been intended that the cargo preference requirements should be applicable to export promotion programmes such as blended credit."

Mr Stockman said the administration intends to appeal against a court ruling that cargo preference applies to the blended credit programme. But he said resolution of the appeal could take years, and in the meantime, U.S. agricultural exports could be severely damaged.

● The Senate commerce committee yesterday rejected a bill that would have excluded certain commercial agricultural export programmes from the cargo preference rules, reports Reuter.

American petrol stocks show further decline

BY OUR WASHINGTON STAFF

U.S. PETROL stocks sank another 3.5m barrels to 216.7m barrels last week, still running far behind 1984 levels, according to the American Petroleum Institute (API). This time last year stocks stood at 254.7m.

The API said that there may be some spot shortages this summer when a partial phase out of the lead content in petrol comes into effect on July 1. Mr Larry Goldstein, an analyst with the Petroleum Industry Research Institute did not expect any serious supply difficulties this summer but said that 1986 may be more of a problem. Refineries are required to reduce the lead content of petrol to an interim level of 0.5 grams per gallon next month and further reduce it to 0.1 grams per gallon in January 1986.

Crude oil stocks rose slightly last week to 352.9m barrels, about 2.5m barrels below last year's figures. Imports of crude were up from 3.5m barrels to 4.4m barrels over the week.

Stocks of residual fuel oil declined by 2.2m barrels to 40.5m barrels, 7m below 1984

LONDON MARKETS

BASE METALS

LME prices supplied by Amalgamated Metal Trading

ALUMINIUM

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	794.5-0.75	—9.5	791-792
3 months	814.5-15	—1	818-807

Official closing (am): Cash 789.5-905 (795-.5), three months 811-.5 (816.5-7): settlement 790.5 (795.5). Final Kerb Close: 813.5-14.5. Turnover: 14,950 tonnes.

COPPER

Higher grade	Unofficial close	+ or —	High/Low
Cash	1115-6	—14	1118/1115
Three m'nths	1128.5	—8.5	1137/1126

Official closing (a): Cash 1,100.5-25 (1,118-20), three months 1,118-20 (1,128.5-9): settlement 1,102.5 (1,120). Turnover: 15,625 tonnes. U.S. Producer prices 66.50-70 cents per pound.

Cathodes			
Cash	1098-1100	—12.5	—
Three m'nths	1117.9	—6.5	—

Official closing (am): Cash 1,116.5-7 (1,132.5-3), three months 1,130.5-1 (1,139-40): settlement 1,117 (1,133). Final Kerb Close: 1,129-30.

LEAD

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	297-299	—7	298.5-297
3 months	298.9	—4.75	300-297

Official closing (am): Cash 297-5 (304.5), three months 296.5-7 (301-2): settlement 297.5 (305). Final Kerb Close: 300- . Turnover: 12,650 tonnes. U.S. Spot: 19-21 cents per pound.

NICKEL

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	4280-5	—50	—
3 months	4230-5	—30	4235/4215

Official closing (am): Cash 4,240-4,250 (4,375-80), three months 4,205-15 (4,290-5): settlement 4,250 (4,380). Final Kerb Close: 4,230-5. Turnover: 942 tonnes.

TIN

High grade	Unofficial close(p.m.) £ per tonne	+ or —	High/low for day
Cash	9595-9600	—2.5	—
3 months	9430-5	—57.5	—

Official closing (am): Cash 9,550-2 (9,650-5): three months 9,420-2 (9,500-5): settlement 9,552 (9,655). Final Kerb Close: 9,435-40. Turnover 1,310 tonnes. Straits tin $m 29.60 kilo.

Standard			
Cash	9595-9600	—2.5	9555-1
3 months	9430 5	—52.5	9450-9420

Official closing (a): Cash 9,555.60 (9,660-70), three months 9,420-30 (9,500-10; settlement 9,560 (9,670).

ZINC

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	559-561	—9	—
3 months	557-8	—9	576-557

Official closing (am): Cash 561-2 (568-9), three months 559-559.5 (565.5-6.5): settlement 562 (569). Final Kerb Close: 558-9. Turnover: 7,500 tonnes.. U.S. Prime Western: 44.50-47.75 cents per pound.

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

METALS	June 19 1985	+ or —	Month ago
Aluminium	£1100		£1100
Free Mkt	$1080/090		$1145/175
Copper			
Cash h Grade	£1115.5	— 14	£1210.5
3 mths	£1128.25	—8.5	£1197.75
Gold troy oz	$325.25	+0.5	$316.75
Lead Cash	£298	—7	£295
3 mths	£298.5	—4.75	£298.5
Nickel			
Free Mkt	250/280c	—2	250/280c
Palladium oz	$101.35	—1.40	$107.60
Platinum oz	$276.20	—2.95	$272.50
Quicksilver†	$280 290		$280/290
Silver troy oz	488.95p	—0.70	488.40p
3 mths	503.15p	—1.90	503.00p
Tin cash	£9597.5	+2.5	£9572.5
3 mths	£9432.5	—62.5	£9537.5
Tungsten	$76.39		$79.03
Wolfram 22 04lb	$56/60		$68/71
Zinc	£560	—9	£638
3 mths	£557.5	—9	£645.5
Producers	$880		$860/880

OILS	June 19 1985	+ or —	Month ago
Coconut (Phil)	‡		$640
Palm Malayan	‡		$600
SEEDS			
Copra Phil	$370z		$395
Soyabean (U.S.)	$236w	+2.25	236.9
GRAINS			
Barley Fut. Sept.	£97.30	—0.10	£98.85
Maize	£146.50		£150.0
Wheat Fut Sept.	£98.00	—0.25	£120.60
No. 2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. Sept.	£1717.5		£1786
Coffee Ft. Sept.	£2049.5	—22.5	£2062.5
Cotton A Index	62.70		64.65c
Gas Oil Aug.	$211.5	+0.5	$215.25
Rubber (kilo)	67p		63p
Sugar (raw)	$92vu	—0.5	$87.5
Wooltops 64s	457pkilo		475pkilo

‡ Unquoted. u Aug. v June-July. w Sept. y July. z July-Aug. † Per 76 lb flask. c Cents per pound.

GOLD

Gold rose $½ to $325-325½ on the London bullion market yesterday in fairly quiet trading. It opened at $326½-327, the highest level of the day, but drifted lower on nervousness ahead of today's second quarter U.S. GNP figure. The metal was fixed at $325.20 in the morning and $325.40 in the afternoon, touching a low of $324½-325.

GOLD BULLION (fine ounce) June 19

Close	$325-325½	(£248-248½)
Opening	$326½-327	(£248¼-248¾)
M'n'g fix.	$325.20	(£247.451)
Aft'n'n fix.	$325.40	(£248.426)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$333½-334	(£254½-254¾)
½ Krug.	$172¼-173	(£131½-132)
¼ Krug.	$87½-88¼	(£66¾-67¼)
1/10 Krug.	$35½-36¼	(£27-27¾)
Mapleleaf	$335-335½	(£255½-256)
New Sov.	$77-77½	(£58¾-59¼)
½ New Sov	$46-46¾	(£35-35¾)
Old Sov.	$78-79½	(£59½-60¾)
$20 Eagle	$455-495	(£347¼-377¾)
Noble Plat	$283¾-289	(£217¾-220¼)

SILVER

Silver was fixed 0.7p an ounce lower for spot delivery in the London bullion market yesterday at 488.95p. U.S. cent equivalents of the fixing levels were: Spot 642c, up 11.6c; three-month 653.3c, up 11.7c; six-month 665.4c, up 11.65c; and 12-month 691.6c, up 12.25c. The metal opened at 490-493p (645-648c) and closed at 488½-489½p (640-643c).

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	488.95p	—0.70	491.6p	—5
3 months	503.15p	—1.90	501.0p	—5.5
6 months	517.00p	—1.60	—	—
12 months	544.40p	—1.85	—	—

LME—Turnover: 69 (49) lots of 10,000 oz.

Three months high 506, low 500.5, final kerb 499-501.

FREIGHT FUTURES

After opening about unchanged the market eased during the morning. Some commission house support was evident at the start of the afternoon but this was eroded and the market closed on the lows, reports Clarkson Wolff. The Baltic Freight Index was 918, down 7.

	Close	High/Low	Prev.
July	885/887	886/883.5	887/890
Oct.	909/909.5	911/905	912/915
Jan.	908/910	910/909	910/915
April	955/960	960	945/980
July	921/928	—	910/925
Oct.	970/980	—	970/995
Jan.	965/1025	—	960/1060
April	1020/1050	—	1020/1060

Turnover: 78 (41).

INDICES

FINANCIAL TIMES

June 19	June 17	M'th ago	Year ago
283.60	284.60	286.04	303.40

(Base: July 1 1952 = 100)

REUTERS

June 19	June 18	M'th ago	Year ago
1771.7	1781.9	1844.4	1927.6

(Base: September 18 1931 = 100)

MOODY'S

May 14	May 13	M'th ago	Year ago
921.9	925.9	—	—

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	June 18	June 17	Month ago	Year ago
Spot	119.83	119.36	—	136.90
Fut.	121.76	120.85	—	137.09

(Base: December 31 1974 = 100)

GRAINS

Business done—Wheat: July 116.15-5.60, Sept 98.30-8.00, Nov 101.45-1.30, Jan 105.20-5.05, March 108.45 only, May 111.65-1.55. Sales: 217 lots of 100 tonnes. Barley: Sept 97.30-7.20, Nov 101.10-1.05, Jan 104.50 only, March 107.75-7.60, May untraded. Sales: 54 lots of 100 tonnes.

WHEAT			BARLEY	
Mnth	Yesterd'ys close	+ or —	Yesterdys close	+ or —
July	115.60	—0.59	—	—
Sept	98.00	—0.25	97.30	—0.10
Nov	101.30	—0.25	101.10	—0.15
Jan	105.05	—0.25	104.60	—0.10
Mar	108.25	—0.20	107.70	—0.10
May	111.45	—0.20	110.70	—0.10

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 15 per cent July 138.85, Aug 134.70, Sept 136, Oct 138.10 sellers transhipment East Coast. U.S. No. 2 Soft Red Winter July 123, Aug 125, Sept 127, Oct 128.75 sellers. EC Harvest 118 quoted. English Feed fob June 119.75, Aug-Sept 99.00, Sept 100, Oct-Dec 104.50, Jan-March 110 sellers. Maize: U.S. No. 3 Yellow/French transhipment East Coast June 146.50 sellers. Barley: English Feed fob July-Aug 97.50 seller East Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: N. East 110.00. The UK monetary coefficient for the week beginning Monday June 24 will remain unchanged at 0.977.

RUBBER

The London physical market opened unchanged, attracted little interest throughout the day and closed quiet, reports Lewis and Peat. Closing prices (buyers) spot 67.00p (same); July 68.00p (68.50p); August 67.75p (67.00p). The Kuala Lumpur fob price for RSS No. 1 was — (200.0) cents a kg and for SMR 20 was — (175.0).

COFFEE

During a fairly active session prices gradually drifted lower on commission house selling, reports DBL. A brief recovery was followed by further pressure at the close.

COFFEE	Yesterd'ys Close	+ or —	Business Done
July	2002-05	—20.0	2018-01
Sept.	2048-50	—22.5	2068-45
Nov.	2096-98	—20.5	2112-93
Jan	2132-34	—18.5	2146-32
March	2130-38	—19.0	2146-32
May	2130-50	—15.0	2140
July	2135-55	—10.0	2150

Sales: 3,216 (4,006) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for June 18: Comp. daily 1979 132.18 (132.30); 15-day average 132.02 (131.99).

COCOA

Following an opening £10 lower, as due, the market traded within a narrow range before an afternoon rally lifted values to unchanged. Although some consumer differential buying of forward positions was noted there was little outright physical business, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or —	Business Done
July	1767-1769	—3.5	1776-1758
Sept.	1717-1718	—	1722-1702
Dec.	1688-1689	+2.0	1688-1675
Mar.	1702-1704	+3.5	1705-1685
May	1717-1719	—0.5	1718-1710
July	1728-1729	+1.0	1728-1720
Sept	1735-1738	+1.5	—

Sales: 3,488 (3,414) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for June 19: 95.13 (94.47); five-day average for June 20: 94.61 (95.02).

SUGAR

LONDON DAILY PRICE—Raw sugar $92.00 (£70.00), down 50c (down £1.50) a tonne for June-July-August delivery. White sugar $132.50, down 50c.

The market came under renewed trade pressure and prices collapsed, reports C. Czarnikow.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Aug	96.8-97.0	95.4-95.8	95.8-97.0
Oct	87.8-88.2	94.6-95.0	94.8-87.4
Dec	92.6-95.6	99.6-100.2	99.2-92.6
Mar	105.4-104.6	111.2-111.4	111.4-103.4
May	107.4-109.0	120.8-120.4	114.8-110.8
Aug	118.0-115.0	120.8-120.4	118.8-119.0
Oct	117.0-118.8	124.4-125.6	—

Sales: 1,791 lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £171.50 (£172.50) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for June 18: Daily price 2.95 (2.89); 15-day average 2.81 (2.80).

SOYABEAN MEAL

The market opened £1 lower on stronger sterling, reports T. G. Roddick. Prices remained in narrow ranges in quiet trade.

	Yesterday close £ per tonne	+ or —	Business Done
June	115.0-120.0	—2.25	—
August	113.5-114.8	—0.55	113.3
October	115.5-115.5	+0.50	116.5-115.8
Dec	120.7-121.2	—0.35	121.8-125.8
Feb	128.0-127.5	—0.50	—
Apr	127.5-128.5	+0.50	—
June	127.5-128.5	+0.50	—

Sales: 136 (149) lots of 20 tonnes.

OIL

Few traders were active in the crude spot market. Brent traded at 5c up for August. Arabian Gulf crudes are slightly weaker. Nymex opened 12c up for July and was 8c up at 1 pm EST after trading erratically either side of Tuesday's close. In the petroleum products market prompt gas oil prices continued to firm as trader demand chased tight June supply. The heavy fuel market was quiet and nervous on rumours of a possible cut in Venezuelan fuel postings and lower U.S. demand—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)— July		
Arab Light	26.75-26.75	—0.025
Arab Heavy	24.85-24.95	—0.05
Dubai	25.20-25.25	—0.125
Brent Blend	26.15-26.25	—
W.T.I. (1pm est)	27.20-27.35	—0.05
Forcados (Nigeria)	26.15-26.25*	—
Urals (cif NWE)	25.25-25.40*	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	280-282	—
Gas Oil	218-219	+1.5
Heavy fuel oil	126-128	—5

* June

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close $ U.S. per tonne	+ or —	Business Done
July	214.25	+1.25	214.75-12.50
Aug	211.50	+0.50	212.00-10.60
Sep	210.50	—0.75	212.00-10.00
Oct	212.25	—1.00	212.50-12.25
Nov	215.75	+0.25	216.75-15.50
Dec	217.75	+1.75	217.75
Jan	217.00	—0.50	—

Turnover: 1,008 (810) lots of 100 tonnes.

POTATOES

After opening slightly firmer, futures came under keen selling pressure, possibly influenced by the extremely weak first earlies market. All positions lost recent gains to close near the day's lows, reports Coley and Harper.

Month	Yesterday's close £ per tonne	Previous close	Business Done
Nov	57.80	59.00	57.90-57.50
Feb	66.50	66.50	67.90-66.80
Apr	76.20	77.90	78.50-76.10
May	82.00	83.50	82.00

Sales: 248 (379) lots of 40 tonnes.

PIGMEAT

Good demand for physicals sustained the firm tone in nearby positions, reports CCST Commodities.

Month	Yesterdays close p. per kilo (deadweight)	Previous close	Business done
Aug	103.90	103.80	104.00-103.70
Oct	107.50	107.70	107.80-107.50
Nov	107.90	108.00	—
Feb	99.70	99.70	—
April	99.90	100.00	99.50
June	99.20	99.50	99.00

Sales: 50 (64) lots of 50 carcases. 3,250 kg.

MEAT

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 98.50p per kg lw (—0.58). GB—Sheep 177.57p per kg est dcw (—12.86). GB—Pigs 80.08p per kg lw (+0.80). GB—AAPP 101.28p per kg dw.

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 76.0 to 82.0; English hindquarters 92.0 to 95.0, forequarters 52.0 to 54.0; Ulster hindquarters 90.0 to 94.0. Veal: Dutch hinds and ends 136.0 to 140.0. Lamb: English small 78.0 to 84.0, medium 76.0 to 82.0, heavy 74.0 to 76.0; Imported: New Zealand PL 65.0 to 66.5, PX 65.0 to 65.5. Pork: English under 100lb 48.0 to 59.0, 100-120lb 52.5 to 57.0, 120-160lb 44.0 to 53.0.

U.S. MARKETS

HEATING OIL advanced following a bullish API report, reports Heinold Commodities. Grains and soyabeans came under light selling pressure, most of which was attributable to local and professional selling in sympathy with lower currencies. The exception to this pattern was July maize which was slightly higher on account of very tight deliverable stocks. Precious metals came under pressure on renewed dollar strength reflecting expectations of a better than expected U.S. GNP flash estimate to be released today. Copper came under pressure from commission house stop-loss selling, reflecting a weak tone to financials. Aluminium remained steady on the lack of fresh news. Sugar came under aggressive selling pressure due to slack cash activity and the breaching of key technical levels.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
June	45.30	—	—	45.25
July	45.40	45.60	45.35	45.40
August	45.70	—	—	45.75
Sept	46.05	46.30	45.95	46.10
Dec	47.00	47.25	47.00	47.10
Jan	47.30	—	—	47.45
March	48.00	—	—	48.15
May	48.65	—	—	48.85
July	49.30	—	—	49.55
Sept	49.95	—	—	50.25

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
July	2039	2047	2027	2034
Sept	2020	2035	2010	2012
Dec	1989	2009	1978	1981
March	1995	2016	1995	1994
May	2023	2026	2010	2013
July	2050	—	—	2030

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
July	144.31	145.70	144.25	145.37
Sept	146.18	147.40	146.10	146.95
Dec	147.30	148.00	147.25	147.71
March	147.01	147.20	146.60	147.25
May	146.00	146.20	146.20	146.25
July	145.25	145.25	145.25	145.00

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
June	61.00	—	—	61.70
July	61.10	61.80	60.80	61.90
August	61.55	—	—	62.35
Sept	61.95	62.65	61.60	62.80
Dec	63.00	63.65	62.80	63.85
Jan	63.25	—	—	64.10
March	63.65	64.30	63.75	64.50
May	64.05	—	—	64.90
July	64.45	65.10	64.45	65.30
Sept	64.90	65.40	66.40	65.70

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
July	62.02	62.87	61.68	63.30
Oct	60.85	61.40	60.60	61.65
Dec	61.02	61.54	60.75	61.77
March	62.00	62.50	61.75	62.75
May	62.20	62.40	62.00	62.98
July	62.32	62.70	62.40	63.14
Oct	58.05	58.45	58.10	58.57
Dec	58.22	58.85	58.50	58.92

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
July	27.30	27.40	27.15	27.22
August	26.58	26.67	26.25	26.29
Sept	25.95	26.05	25.63	25.65
Oct	25.54	25.65	25.25	25.30
Nov	25.23	25.25	24.95	24.98
Dec	24.85	24.85	24.58	24.71
Jan	24.60	24.60	24.38	24.48
Feb	24.25	24.37	24.25	24.32
March	24.20	24.25	24.13	24.20

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
June	322.3	326.7	322.5	327.7
July	323.0	—	—	328.5
August	324.8	329.4	324.5	330.5
Oct	328.3	332.8	328.2	334.0
Dec	332.2	337.0	331.5	337.8
Feb	336.2	340.0	336.0	341.8
April	340.3	343.0	343.0	345.8
June	344.9	348.4	347.0	350.4
August	349.7	354.5	354.5	355.1
Oct	354.7	—	—	360.0
Dec	359.7	—	—	364.9
Feb	364.8	—	—	370.1
April	370.1	—	—	375.4

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
July	68.30	68.80	67.75	68.02
August	67.80	68.35	67.10	67.42
Sept	67.75	68.35	67.20	67.46
Oct	68.50	68.85	67.90	68.01
Nov	69.60	69.60	68.70	68.50
Dec	70.00	70.29	69.30	69.25
Jan	70.40	70.40	70.40	70.00

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
July	142.35	144.40	142.25	142.35
Sept	137.50	139.75	137.50	138.70
Nov	134.50	137.95	134.50	137.00
Jan	134.25	136.90	134.20	136.35
March	135.00	136.95	135.00	136.60
May	135.10	136.45	136.45	136.60
July	136.10	—	—	136.60
Sept	135.10	—	—	136.60
Nov	136.10	—	—	136.60

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
June	273.2	—	—	278.1
July	274.1	278.0	273.5	279.0
August	276.4	—	—	281.3
Oct	278.5	282.5	277.6	283.7
Jan	283.5	287.0	282.5	288.7
April	288.7	292.0	290.0	293.9
July	294.6	297.0	297.0	299.8

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
June	631.3	—	—	648.2
July	632.5	649.0	631.0	650.0
August	636.0	—	—	653.5
Sept	640.4	656.5	638.0	657.8
Dec	652.2	668.0	649.5	669.6
Jan	656.5	61.0	661.0	673.9
March	664.6	678.5	666.0	682.0
May	673.3	—	—	690.7
July	682.6	696.0	690.0	700.0
Sept	692.5	703.0	703.0	709.9

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
July	2.71	2.99	2.68	2.98
Sept	2.82	3.12	2.76	3.07
Oct	2.84	3.17	2.83	3.17
Jan	3.15	3.49	3.30	3.50
March	3.67	3.92	3.56	3.91
May	3.76	4.09	3.76	4.08
July	4.00	4.29	3.96	4.29
Sept	4.13	—	—	4.45
Oct	4.27	4.50	4.27	4.61

SPOT PRICES—Chicago loose lard 18.00 (same) cents per pound. New York tin 567.0-76.0 (564.0-72.0) cents per pound. Handy and Harman silver bullion 636.0 (639.0) cents per troy ounce.

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
June	58.30	58.65	57.87	57.97
August	60.87	61.07	60.46	60.67
Oct	62.02	62.15	61.70	61.65
Dec	63.30	63.50	62.96	62.90
Feb	64.20	64.20	63.60	63.67
April	65.10	65.10	64.62	64.70
June	65.50	65.50	65.20	65.10

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
June	49.35	49.40	48.70	49.07
August	50.30	50.35	49.92	50.35
Oct	47.10	47.35	46.87	47.35
Dec	48.77	49.10	48.65	48.97
Feb	49.87	50.15	49.75	50.05
April	46.55	46.60	46.35	46.55
June	48.85	48.85	48.65	48.85
July	49.45	49.50	49.20	49.35

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
July	277.6	277.6	276.6	276.6
Sept	258.4	258.6	257.2	258.0
Dec	252.6	253.0	251.2	252.4
March	261.6	262.0	260.4	261.2
May	265.0	265.0	262.4	264.4
July	264.6	264.6	262.4	264.0
Sept	246.0	249.4	246.0	250.0

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
July	68.20	68.77	67.70	68.35
August	67.67	68.10	67.05	67.52
Feb	74.57	75.10	74.05	74.85
March	74.65	74.70	74.00	74.60
May	75.20	75.20	74.80	75.27
July	74.95	75.10	74.75	75.20

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
July	579.4	584.0	578.6	585.2
August	571.2	575.6	570.2	576.2
Sept	563.4	566.2	561.0	567.0
Nov	565.6	567.4	562.4	568.4
Jan	575.0	576.4	571.6	578.0
March	586.0	585.4	581.4	588.0
May	593.0	594.0	590.0	596.0
July	599.0	599.4	596.0	599.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
July	123.1	124.0	122.4	123.2
August	125.7	126.5	125.0	125.9
Sept	128.3	128.8	127.3	128.4
Oct	130.3	131.0	129.8	130.7
Dec	135.8	136.2	135.0	136.0
Jan	137.6	138.7	137.5	138.0
March	142.0	143.0	141.8	141.9
May	146.1	147.0	146.1	146.0
July	149.3	—	—	150.1

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
July	29.90	30.42	29.84	30.42
August	28.83	29.28	28.80	29.33
Sept	27.89	28.25	27.85	28.30
Oct	26.96	27.25	26.95	27.30
Dec	26.18	26.30	26.06	26.34
Jan	25.70	25.85	25.65	25.83
March	25.46	25.45	25.20	25.40
May	25.05	25.10	24.85	25.07
July	24.65	24.65	24.65	24.70
August	24.40	24.60	24.30	24.65

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
July	326.6	327.4	326.0	327.4
Sept	327.6	328.4	326.6	328.6
Dec	333.2	334.4	333.0	335.0
March	332.6	334.4	332.6	334.4
May	322.4	324.4	322.2	325.0
July	304.0	306.4	304.0	306.4

OTHER MARKETS

COTTON

LIVERPOOL—Spot and shipment sales amounted to 168 tonnes. Moderate trading developed with Colombian and West African growths in request.

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order; buyer, seller, business). New Zealand cents per kg. Aug 533, 535, 536-534; Oct 534, 537, 537-536; Dec 534, 536, 536-536; Jan 534, 536, 536; March 544, 546, 546-544; May 547, 550, 553-550; Aug 559, 563, 565; Oct 560, 565, 565; Dec 560, 565, 567. Sales: 97.

PARIS

SUGAR—(FFr per tonne): Aug 1195/1196, Oct 1205/1207, Dec 1215/1225, March 1255/1260, May 1290/1300, Aug 1360/1370.

COCOA — (FFr per 100 kgs.): July 2035/2090, Sept 2035/2040, Dec 1990/2015, March 1989-2020, July 2015 bid, Sept 2020 bid.

ROTTERDAM

WHEAT — (U.S. $ per tonne) U.S. No. 2 Soft Red Winter: June 140, July 143, Aug 145, Sept 147, Oct 149, sellers. U.S. No. 2 Northern Spring, 14 per cent protein: Spot 177, July 165, Aug 180, Sept 160, Oct 164, Nov 166, Dec 168, sellers. U.S. Northern Spring, 15 per cent protein: July 176, Aug 171, Sept 171, Oct 175, Nov 177.50, Dec 179, sellers. U.S. No. 3 Hard Amber Durum: June 173, July 173, Aug 167, Sept 162.50, Oct 168, Nov 172, sellers. Canadian No. 1 Western Amber Durum: June 178, June/July 179, July 179, Aug 178, Sept 176, sellers.

MAIZE (U.S. $ per tonne) U.S. No. 3 Yellow: Spot 132, Afloat 129, June 128.50, July 128.75, Aug 126, Sept 123.75, Oct/Dec 122, sellers. Argentina, Plate: Afloat 131, June 134, July 134, Aug 134, sellers.

Soviet harvesting

MOSCOW — Soviet farmers had cut sown and natural grasses from 13.8m hectares by June 17, compared with 15.2m by the same week last year, official figures show.

Central Statistics Board data in the government daily Izvestia show 6m tonnes of hay and 13.7m tonnes of haylage were gathered and 859,000 tonnes of other dried vegetation cut.

Rain has swept much of European Russia in the past two weeks and, although causing delays now, could boost forage harvesting later, Western agricultural experts said.

There were no figures for harvesting of winter grain but it was said to be underway in southern regions. By June 18 last year grain was cut from 186,000 hectares.
Reuter

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Pound rises as dollar falls

The dollar tested the DM 3.00 level briefly yesterday morning, but after touching a low of DM 2.9950, held fairly steady at around DM 3.02 for most of the day. Sentiment surrounding the U.S. currency remained depressed, with many dealers waiting for today's flash estimate of U.S. second quarter gross national product before deciding whether a level above DM 3.00 can be sustained. The economy is not expected to rebound after a disappointing first three months of the year, and the general level of market forecasts for GNP growth is only about 1-1½ per cent.

Dealers also expect that the Federal Reserve will act to stimulate the economy, after today's figure, by cutting its discount rate from 7½ per cent. The central bank drained funds from the New York banking system again yesterday, but only when the Federal funds rate had fallen to 6½ per cent.

The dollar fell to DM 3.02 from DM 3.0280; FFr 9.21 from FFr 9.2425; and SwFr 2.5290 from SwFr 2.5385, but was only slightly weaker against the Japanese yen at Y247.45 compared with Y247.50.

On Bank of England figures the dollar's index fell to 143.6 from 144.2.

STERLING — Trading range against the dollar in 1985 is 1.3070 to 1.0525. May average 1.2517. Exchange rate index rose 0.5 to 81.0. It opened at 81.2, the highest level of the day and drifted down to a low of 80.6 at 3 pm, before turning upwards again at the close, to the highest finishing level since March 14 1984.

Sterling was generally very strong, suported by the high level of London interest rates, and the probability that any lowering of bank base rates will be delayed, at least until the next set of money supply figures on July 9. Oil price worries have also been pushed into the background, and the pound gained ¾ cent to $1.3065-1.37075, the best closing level since the end of August last year. Sterling also rose to DM 3.9450 from DM 3.9350; FFr 12.0350 from FFr 12.0250; SwFr 3.31 from SwFr 3.30; and Y323 from Y322.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 2.9730. May average 3.1024. Exchange rate index 122.5 against 120.7 six months ago.

The D-mark improved against the dollar in nervous Frankfurt trading, but closed below the day's best level. The dollar partially recovered from a low of DM 2.9950 to close at DM 3.01925 in Frankfurt compared with DM 3.04175 previously. Earlier in the day the dollar was fixed at DM 3.0048 against DM 3.0445 on Tuesday, without any intervention by the Bundesbank. Trading was slightly more active in the afternoon after a quiet morning, with the U.S. currency's late rise the result of short covering by European dealers. There was a general reluctance to take out new positions however ahead of today's U.S. second quarter GNP figures. The fixing was the lowest since November 22, when the German central bank sold $21m, but there has been no intervention by the Bundesbank since the end of February.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu June 19	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian franc ...	44.9008	45.2856	+0.86	+0.96	±1.5471
Danish krone ...	8.14104	8.06605	−0.92	−0.82	±1.6479
German D-mark.	2.24184	2.24542	+0.16	+0.26	±1.1475
French franc......	6.87456	6.84867	−0.38	−0.28	±1.3689
Dutch guilder ...	2.52595	2.53222	+0.25	+0.35	±1.5171
Irish punt........	0.72569	0.717441	−1.14	−1.04	±1.6673
Italian lira	1403.49	1435.39	+2.34	+2.34	±4.0410

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

STERLING INDEX

	June 19	Previous
8.30 am	81.2	79.9
9.00 am	81.1	79.9
10.00 am	80.9	80.0
11.00 am	81.0	80.0
Noon	80.9	80.0
1.00 pm	80.9	80.1
2.00 pm	80.7	80.2
3.00 pm	80.6	80.3
4.00 pm	81.0	80.5

£ IN NEW YORK

	June 18	Prev. close
£ Spot	$1.3050-1.3040	$1.31766 3188.
1 month	0.56-0.54 pm	0.57-0.51pm
3 months	1.54-1.50 pm	1.53-1.50 pm
12 months	4.46-4.33 pm	4.42-4.32 pm

Forward premiums and discounts apply to the U.S. dollar

POUND SPOT—FORWARD AGAINST POUND

June 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.3020-1.3195	1.3065-1.3075	0.57-0.54c pm	5.09	1.55-1.50pm	4.67
Canada	1.7775-1.7964	1.7775-1.7805	0.47-0.38c pm	2.53	1.28-1.14pm	2.72
Nethlnd.	4.43½-4.47¾	4.45-4.46	2⅛-2c pm	5.56	6⅞-5⅞pm	5.39
Belgium	79.41-79.93	79.45-79.55	29-23c pm	3.92	74-65pm	3.50
Denmark	14.01-14.23¾	14.15½-14.16½	3⅛-2¾ore pm	2.28	8⅞-7⅞pm	2.17
Ireland	1.2545-1.2640	1.2610-1.2620	0.09p pm-0.01dis	−0.38	0.28-0.10pm	0.52
W. Ger.	3.93¾-3.95¾	3.94-3.95	2⅜-2¼pf pm	7.03	6⅞-6⅝pm	6.59
Portugal	223-228¼	223-227	380-695c dis	−28.13	510-1500dis	−17.87
Spain	224½-228¼	224½-225¼	40-60c dis	−2.67	175-225dis	−3.56
Italy	2515-2534½	2518½-2519½	2-6 lire dis	−1.67	10-15dis	−1.63
Norway	11.32-11.41¼	11.36-11.37	¼ore pm-⅛ dis	−0.26	⅞-1⅛dis	−0.42
France	12.01-12.09¾	12.03-12.04	2⅛-1⅞c pm	2.06	5⅛-4⅞pm	1.84
Sweden	11.39-11.49	11.42-11.43	3⅞-4⅞ore pm	4.46	12½-13½dis	−4.51
Japan	322¼-324¾	322½-323½	1.71-1.59y pm	6.13	4.88-4.69pm	5.93
Austria	27.62-27.82	27.65-27.71	14⅜-12⅞gro pm	5.91	38¾-34½pm	5.27
Switz.	3.29½-3.31½	3.30½-3.31½	2⅛-2c pm	7.48	5⅞-5⅝pm	6.95

Belgian rate is for convertible francs. Financial franc 79.85-79.95. Six-month forward dollar 2.63-2.58c pm, 12-month 4.25-4.10c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

June 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.3020-1.3195	1.3065-1.3075	0.57-0.54c pm	5.09	1.55-1.50pm	4.67
Ireland†	1.0350-1.0430	1.0364-1.0372	0.43-0.38c pm	4.66	1.10-1.00pm	4.03
Canada	1.3608-1.3853	1.3640-1.3650	0.24-0.27c dis	−2.25	0.65-0.70dis	−1.98
Nethlnd.	3.3795-3.4105	3.4055-3.4065	0.14-0.11c pm	0.44	0.62-0.58pm	0.71
Belgium	60.50-60.95	60.80-60.90	5½-6½c dis	−1.19	16-18½dis	−1.14
Denmark	10.77½-10.85½	10.83¼-10.83¾	2-2½ore dis	−2.50	5⅞-5⅜dis	−2.04
W. Ger.	2.9960-3.0250	3.0195-3.0205	0.43-0.38pf pm	1.62	1.40-1.35pm	1.83
Portugal	172-174¾	172-173½	200-450c dis	−22.54	800-1350dis	−22.54
Spain	171.80-172.95	172.40-172.60	107-122c dis	−7.99	330-370dis	−8.14
Italy	1,917-1,933	1,929½-1,930½	10-10½ lire dis	−6.47	30-31dis	−6.34
Norway	8.65½-8.72½	8.70-8.70½	3½-4ore dis	−5.19	11¼-11¾dis	−5.31
France	9.14½-9.21¾	9.20¾-9.21¼	2.35-2.45c dis	−3.14	6.90-7.20dis	−3.08
Sweden	8.70¼-8.76½	8.75½-8.76	6½-7ore dis	−9.30	19¾-20¼dis	−9.18
Japan	246.40-247.50	247.40-247.50	0.23-0.19y pm	1.02	0.71-0.66pm	1.11
Austria	21.07½-21.25	21.20-21.25	1⅞-1gro pm	0.78	4½-2pm	0.62
Switz.	2.5130-2.5330	2.5285-2.5295	0.51-0.45c pm	2.29	1.42-1.38pm	2.58

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 61.10-61.20.

OTHER CURRENCIES

June 19	£	$		£ Note Rates
Argentina Peso..	N/A	N/A	Austria	27.60-27.90
Australia Dollar.	1.9470-1.9510	1.4940-1.4966	Belgium	79.60-80.40
Brazil Cruzeiro...	7,532-7,565	6,770-6,790	Denmark	14.12-14.26
Finland Markka.	8.1890 8.2095	6.2770-6.2790	France	11.98-12.10
Greek Drachma.	173.60-177.77	132.46-135.23	Germany	3.92¼-3.96¼
HongKong Dollar	10.1170-10.1270	7.7530-7.7550	Italy	2500-2540
Iran Rial	118.60*	92.25*	Japan	324-328
KuwaitDinar(KD)	0.3957 0.3968	0.30325-0.30340	Netherlands	4.42¾-4.46¾
Luxembourg Fr	79.45-79.55	60.80-60.90	Norway	11.34-11.46
Malaysia Dollar..	3.2000-3.2050	2.4630-2.4650	Portugal	220-230
New Zealand Dlr.	2.7600 2.7675	2.1170-2.1215	Spain	218-228
Saudi Arab Riyal	4.7645 4.7695	3.6510-3.6520	Sweden	11.39-11.50
Singapore Dollar	2.9060 2.9110	2.2270-2.2290	Switzerland	3.29-3.32
Sth African Rand	2.4705 2.5256	1.9462-1.9500	United States	1.30½-1.32½
U.A.E. Dirham...	4.7920 4.7970	3.6720-3.6730	Yugoslavia	345-370

* Selling rate.

CURRENCY MOVEMENTS

June 19	Bank of England Index	Morgan Guaranty Change %
Sterling	81.0	−8.8
U.S. dollar	143.6	+29.3
Canadian dollar	87.6	−6.8
Austrian schilling	112.9	+4.3
Belgian franc	89.5	−11.1
Danish Kroner	77.9	−6.3
Deutsche mark	122.5	+6.6
Swiss franc	141.0	+5.0
Guilder	112.9	+5.0
French franc	65.5	−16.4
Lira	46.5	−17.1
Yen	155.7	+12.1

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

June 19	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.765685	0.569684
U.S. $	7½	1.00481	0.746856
Canadian $	9.79	*	1.01849
Austria Sch	4½	1.2296	15.7811
Belgian Fr	9¼	60.8714	45.2856
Danish Kr	7	10.8619	8.06605
Dmark	4½	3.01925	2.24542
Guilder	5½	3.40379	2.53222
French Fr	9½	9.0906	6.84867
Lira	15½	1931.76	1436.39
Yen	5	247.987	184.376
Norway Kr	8	8.71773	6.47412
Span'h Pta	—	172.746	128.497
Swedish K	11.5	8.75642	6.51821
Swiss Fr	4	2.53031	1.88185
Greek Dr'ch	20½	134.559	99.7949
Irish Punt	13¾	0.966235	0.717441

* C$/SDR rate for June 18: 1.38469.

EXCHANGE CROSS RATES

June 19	Pound St'rling	U.S. Dollar	Deutschem'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.307	3.945	323.0	12.04	3.310	4.456	2519.	1.779	79.50
U.S. Dollar	0.765	1.	3.020	247.5	9.210	2.529	3.406	1930.	1.361	60.85
Deutschemark	0.253	0.331	1.	81.88	3.051	0.839	1.129	638.5	0.451	20.15
Japanese Yen 1,000	3.096	4.046	12.21	1000.	37.26	10.25	13.79	7799.	5.508	246.1
French Franc 10	0.831	1.086	3.278	268.4	10.	2.750	3.702	2093.	1.478	66.05
Swiss Franc	0.302	0.395	1.192	97.68	3.636	1.	1.346	761.0	0.537	24.02
Dutch Guilder	0.224	0.293	0.886	72.50	2.701	0.743	1.	565.4	0.399	17.85
Italian Lira 1000	0.397	0.519	1.566	128.2	4.778	1.314	1.769	1000.	0.705	31.56
Canadian Dollar	0.562	0.735	2.218	181.5	6.765	1.861	2.504	1416	1.	44.69
Belgian Franc 100	1.258	1.644	4.962	406.3	15.14	4.164	5.604	3169.	2.238	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

June 19	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	12½-12¾	6¾-6⅞	9-9½	6¾-7	⅞-1⅛	5½-5⅝	10⅛-10¼	13¼-14¼	8⅝-8⅝	8½-8¾	6⅜-6 7/16	9⅝-10⅛
7 days' notice	12⅝-12¾	7-7⅛	9⅛-9⅜	6¾-7	1-1¼	5½-5⅝	10⅛-10¼	13½-15	8⅝-8⅞	8⅝-8⅞	6¼-6 7/16	9⅝-10⅛
Month	12⅜-12½	7 3/16-7 5/16	9 3/16-9 5/16	6⅝-6¾	5 1/16-5 3/16	5 7/16-5 9/16	10 3/16-10 5/16	13⅝-14⅛	8⅝-8⅞	8¾-9	6 5/16-6 7/16	9¾-10¼
Three months	12⅛-12¼	7 5/16-7 7/16	9 5/16-9 7/16	6½-6⅝	5⅛-5¼	5 7/16-5 9/16	10 5/16-10 7/16	13⅝-14⅛	8¾-9	8¾-9	6¼-6 7/16	9½-10
Six months	11⅞-12	7⅝-7¾	9¼-9½	6 7/16-6 9/16	5⅛-5¼	5½-5⅝	10½-10⅝	13⅞-14¼	8¾-9	8¾-9	6¼-6⅜	9⅜-9⅞
One year	11¾-11⅞	8-8⅛	9⅜-9⅝	6 7/16-6 9/16	5⅛-5¼	5⅜-5½	10¾-10⅞	14¼-14⅝	9¼-9	9-9¼	6 5/16-6⅜	9⅜-9⅞

Asian $ (closing rates in Singapore): Short-term 6⅞-7 per cent; seven days 7⅛-7¼ per cent; one month 7 3/16-7 5/16 per cent; three months 7⅜-7½ per cent; six months 7 7/16-7 9/16 per cent; one year 7 11/16-7 13/16 per cent. Long-term Eurodollars: two years 8¾-9 per cent; three years 9⅛-9⅜ per cent; four years 9¾-10 per cent; five years 9 15/16-10 3/16 per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days notice.

FINANCIAL FUTURES

Late fall

Euro-dollar prices finished weaker on the day in the London International Financial Futures Exchange yesterday as profit taking emerged after recent sharp gains.

A surprise fall in U.S. personal income was largely discounted owing to technical distortions in the figure. Trading was rather tense during the morning with values marked up on expectations of a cut in the U.S. discount rate and the current low level of U.S. Federal funds.

However the scope for a continued rise in prices diminished as the day wore on with the possibility of poor second quarter GNP figures today and lower interest rates already discounted to a large extent. There were also suggestions by one U.S. official that today's flash estimate would not be as bad as expected and this provided the catalyst for some fairly aggressive profit taking during the afternoon.

Sterling-based instruments were firmer amid growing hopes of an early reduction in UK clearing bank base rates. Cash rates were a little easier and sterling broke through $1.30 against the dollar but the authorities may still wish to see the passing of next month's Opec meeting before giving their full blessing to a further modest reduction in base rates. Sentiment was also affected by the growing possibility of a cut in the U.S. discount rate.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Sept	92.29	92.45	92.28	92.38
Dec	91.82	91.94	91.82	91.90
March	91.40	91.52	91.41	91.48
June	91.06	91.18	91.18	91.14
Sept	90.75	90.83	90.83	90.82

Estimated volume 4,400 (5,011)
Previous day's open int 19,497 (16,830)

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev
Sept	88.58	88.70	88.57	88.51
Dec	89.01	89.10	89.00	88.98
March	89.03	89.15	89.06	89.08
June	89.10	—	—	89.15
Sept	89.15	89.15	89.15	—

Estimated volume 3,888 (1,071)
Previous day's open int. n/a (6,045)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
June	107-06	107-12	107-05	106-29
Sept	111-00	111-10	110-28	110-27
Dec	111-13	—	—	111-07
March	111-19	—	—	111-13

Estimated volume 2,019 (1,972)
Previous day's open int 3,923 (3,316)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) −27 to −17 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Sept	1.2970	1.3045	1.2910	1.2810
Dec	1.2845	1.2886	1.2783	1.2677
March	1.2755	—	—	1.2585

Estimated volume 318 (32)
Previous day's open int 9,888 (4,182)

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
Sept	0.3328	0.3345	0.3324	0.3307
Dec	0.3348	—	—	0.3325

Estimated volume 123 (43)
Previous day's open int 236 (302)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Sept	0.3972	0.3983	0.3976	0.3942

Estimated volume 32 (22)
Previous day's open int 179 (202)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Sept	0.4054	0.4063	0.4063	0.4052

Estimated volume 2 (13)
Previous day's open int 149 (282)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev
June	128.70	129.30	128.45	128.25
Sept	129.00	129.50	128.90	128.65

Estimated volume 222 (185)
Previous day's open int 1,564 (1,980)

U.S. TREASURY BONDS
8% $100,000 32nds of 100%

	Close	High	Low	Prev
June	79-17	80-02	79-18	79-24
Sept	78-11	78-29	78-08	78-20
Dec	77-10	77-09	77-07	77-20

Estimated volume 1,809 (2,375)
Previous day's open int 2,181 (2,769)

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	79-21	79-25	79-14	80-03
Sept	78-11	78-14	78-06	78-28
Dec	77-09	77-11	77-03	77-25
March	76-09	76-09	76-04	76-24
June	75-11	75-12	75-04	75-25
Sept	74-15	74-15	74-08	74-29
Dec	73-21	73-21	73-21	74-02
March	—	—	—	73-09
June	72-08	72-09	72-08	72-17
Dec	71-02	71-02	71-02	71-06

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	93.17	93.30	93.13	93.23
Dec	92.83	92.96	92.78	92.88
March	92.47	92.57	92.44	92.53
June	92.16	92.24	92.14	92.22
Sept	91.89	91.89	91.88	91.96
Dec	91.65	91.65	91.64	91.72
March	91.42	—	91.42	91.49
June	91.24	—	91.24	91.30

CERT. DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
June	92.80	92.80	92.80	92.88
Sept	92.61	92.76	92.59	92.71
Dec	92.15	92.25	92.15	92.24
March	—	—	—	91.81

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	92.29	92.45	92.26	92.38
Dec	91.81	91.99	91.79	91.91
March	91.39	91.55	91.37	91.49
June	91.04	91.14	91.02	91.13
Sept	90.72	90.84	90.71	90.82
Dec	90.42	90.52	90.42	90.52
March	90.13	90.26	90.13	90.24
June	89.90	89.99	89.90	—

STERLING (IMM) $s per £

	Latest	High	Low	Prev
Sept	1.2915	1.2985	1.2885	1.2950
Dec	1.2810	1.2870	1.2785	1.2830
March	—	—	—	1.2250
June	—	—	—	1.2680
Sept	—	—	—	1.2605

GNMA (CBT) 8% $100,000
32nds of 100%

	Latest	High	Low	Prev
June	77-00	77-06	77-00	77-07
Sept	76-12	76-17	76-10	76-20
Dec	75-20	75-25	75-18	75-28
June	—	—	—	74-27
Sept	—	—	—	74-15

MONEY MARKETS

UK rates ease on strong pound

UK rates fell quite sharply yesteraday as sterling broke through the $1.30 level against the dollar. This was mainly a reflection of the dollar's sharp decline following further falls in U.S. interest rates. Three-month interbank money fell to 12¼-12⅛ per cent from 12 7/16-12⅜ per cent while three-month eligible bank

> UK clearing banks base lending rate 12½ per cent since June 12

bills were bid at 11⅞-11 13/16 per cent from 11 15/16 per cent. The fall renewed speculation of a cut in clearing bank base rates although next month's Opec meeting is probably stil likely to be a dampening influence. Overnight interbank money opened at 12⅞-12⅝ per cent and rose to a high of 20 per cent with a greater part of the day's shortage taken out only late in the day. Bids closed around 16 per cent.

The Bank of England forecast a shortage of around £750m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £328m and the unwinding of previous sale and repurchase agreements a further £367m. There was also a rise in the note circulation of £100m. These were partly offset by Exchequer transactions adding £30m.

To help alleviate the shortage, the Bank offered an early round of assistance which totalled £20m, comprising purchases of eligible bank bills in band 2 (15-33 days) at 12½ per cent. Further help in the morning came to £144m and was made up of purchases of £114m of eligible bank bills in band 1 (up to 14 days) at 12⅝ per cent and in band 2 £4m of local authority bills and £24m of eligible bank bills at 12½ per cent. In band 3 (34-63 days) it bought £1m of eligible bank bills at 12½ per cent and in band 4 (64-91 days) £1m at 12 per cent.

The forecast was later revised to a shortage of around £800m before taking into account the early help and the Bank gave additional assistance of £136m through purchases of £111m of eligible bank bills in band 1 at 12⅝ per cent, £2m in band 2 at 12½ per cent, £21m in band 3 at 12½ per cent and £2m in band 4 at 12 per cent. It also provided late assistance of £425m, making a total of £725m.

MONEY RATES

June 19	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.55-5.65	10 1/16	⅞-1⅛	6⅜-6¾	6.03125	14⅞-15¼	6.10	12⅛-12⅝
One month	5.50-5.60	10 1/16-10 3/16	5⅛-5¼	6⅜-6¾	6.21875	14½-14⅞	8 11/16-8 13/16	12⅜-12⅝
Two months	5.55-5.70	10 5/16-10 7/16	—	—	—	—	—	12¼-12½
Three months	5.55-5.70	10 5/16-10 7/16	5⅛ 5¼	6 7/16-6⅝	6.28125	15-15⅜	8¾ 8⅞	12⅛-12⅜
Six months	5.6 5.75	10⅜-10½	—	6¼-6⅝	—	—	8⅞-9⅛	12⅛-12⅜
Lombard	6.0	—	—	—	—	—	—	—
Intervention	—	10⅛	—	6⅝	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

June 19 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	12⅜-20	12⅛-12⅝	12¾-13⅛	12¼-13	—	—	—	—	—
2 days notice	—	—	12⅝-12⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12⅛-12¾	12⅛-12⅝	12⅞	12¼	—	—	—	—	—
One month	12½-12¼	12 7/16-12 5/16	12½	12⅝-12⅜	12¼	12¼	12 3/16	12 5/16-12¼	12⅛-12 5/16	12 13/16
Two months	12⅜-12⅛	12¼ 12⅜	12⅝	12½	12⅛	12 1/16	12	11 15/16-12 1/16	11⅞-12 3/16	12 9/16
Three months	12¼-12⅛	12 3/16-12¼	12⅛	12⅝	11⅞	11¾	11⅝	11¾-11 11/16	11¾-11 11/16	12⅜
Six months	11 13/16-11 11/16	11⅞-12	11⅞	—	—	—	—	11¼	11⅛	11⅞
Nine months	11 13/16 11 11/16	11⅞-12	—	—	—	—	—	—	—	—
One year	11 13/16-11 11/16	11 13/16-11 11/16	11¾	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	12¾-12½	—	12½	7.2-7.3	7 3/16-7 5/16	9 3/16-9 5/16
Two months	12½-12¼	—	12⅜	7.2-7.3	7 5/16-7 7/16	9 5/16-9 7/16
Three months	12⅛-12¼	—	12 3/16	7.25-7.35	7 7/16-7 9/16	9¼-9⅜
Six months	12⅛-11⅞	—	11 15/16	7.35-7.45	7⅝-7⅞	9¼-9⅜
Nine months	12-11¾	—	—	7.6-7.7	—	—
One year	11 13/16-11 11/16	—	—	7.7-7.8	7⅞ 8⅛	9⅛ 9⅜
Two years	—	11½	—	—	—	—
Three years	—	11⅜	—	—	—	—
Four years	—	11¼	—	—	—	—
Five years	—	11¼	—	—	—	—

ECGD Fixed Rate Finance IV: Average Rate of Interest period May 8 to June 4 (inclusive): 12.677 per cent. Local authority and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 13 per cent from June 1. 1985. London and Scottish Clearing Bank Rates for lending 12½ per cent. Bank Deposit Rates for sums at seven days' notice 6.66-6.75 per cent (net). Treasury Bills: Average tender rate of discount 11.8224 per cent. Certificates of Tax Deposits (Series 6): Deposits £100,000 and over held under one month 12½ per cent, one-three months 12½ per cent; three-six months 12¼ per cent; six-nine months 12¼ per cent; nine-12 months 12 per cent. Under £100,000 11½ per cent from June 19. Deposits held under Series 5 12 per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. June 19) Three months U.S. dollars	
bid 7 1/4	offer 7 3/8
Six months U.S. dollars	
bid 7 1/2	offer 7 5/8

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	9½
Broker loan rate	8
Fed funds	6½
Fed funds at intervention	6½

Treasury Bills

One month	6.25
Two month	6.50
Six month	6.86
Three month	6.71
One year	7.04

Treasury Bonds

Two year	101 7/32
Three year	103 7/32
Four year	100 25/32
Five year	101 11/32
Seven year	108 5/32
10 year	107 21/32
30 year	108 27/32

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1985 High	1985 Low	Stock	Price £	+ or –	Yield Int.	Yield Red.
99	97¼	Treas 8¾pcCnv '85	99	+	8.83	12.59
101	99	Exch. 12¼pc 1985	100	+	12.24	11.86
101	99	Exch. 11¼pc '86	100	+	11.75	11.64
99	97	Treas. 10pcCnv 1986	98	+	10.12	11.49
94	92¼	Treas 3pc 1986	94	.....	3.18	9.56
100	97½	Exch. 10½pc Cv '86	99¼	+	10.58	11.33
101¾	99	Treas 12pc 1986	100	+	11.95	11.29
97	94¼	Treas 8¾pc 1984-86‡‡	97	+	8.73	11.24
105	102	Exch. 14pc 1986	103	+¼	13.57	11.33

[illegible]

AMERICANS—Cont.

[illegible]

BEERS, WINES—Cont.

1985 High	1985 Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
245	200	Young Brew 'A' 50p	280	.....	6.3	♦	4.5	♦
165	130	Do. Non. V. 50p	155	.....	6.3	♦	5.8	♦

BUILDING, TIMBER, ROADS

1985 High	1985 Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
270	236	AMEC 50p	253	.....	11.0	2.3	6.2	10.0
202	180	Aberdeen Const.	188	.....	7.25	♦	5.5	♦
310	190	‡Access Satellite 5p	220	–5	u2.0	2.5	1.3	43.2
25½	18	Allied Plant 5p	19	.....	—	—	—	—
22	22	♥Amco Ind Hldgs.	22	.....	—	—	—	—
56	29	Arncliffe 10p	52	+2	0.1	♦	0.3	♦
110	82	Attwoods	96	+1	3.5	1.8	5.2	16.8
280	235	BPB Inds. 50p	240	+2	†7.0	3.5	4.2	8.6
266	206	Baggeridge Brick	255	+1	6.25	3.7	3.5	10.9
32	22	Bailey (Ben) 10p	22	–2	‡1.8	2.9	‡	4.0
40	25	Baldwin (H. J.) 10p	33	.....	—	—	—	13.0
90	66	Barratt Dev. 10p	80	.....	7.62	1.1	13.6	9.8
138	111	Bellway	131	.....	7.0	2.0	7.6	8.7
71	61	Benford M. 10p	68	.....	3.75	0.7	7.9	(26.2)
166	146	‡Berkeley Group	164	.....	3.6	♦	3.2	♦
64	50	Bett Bros. 20p	58	–1	d3.1	1.8	7.6	8.8
610	540	Blockleys 20p	610	.....	21.0	3.0	4.9	8.7
562	468	Blue Circle £1	523	–2	20.0	2.9	5.5	7.1
222	190	Breedon Lime	212	.....	8.9	1.1	6.0	20.8

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ENGINEERING—Continued

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

CANADIANS

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

ELECTRICALS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ENGINEERING

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS—Continued

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
77	61	Marshall's Universal	68	−1	2.0	1.4	4.2	(21.6)
86	78	Do. 7¼pcCnRedPf £1	85	..	7¼%	—	12.6	—
22	22	Martin-Black	22d	...	—	—	—	—
£97	£81	Mathesons 7¼%	£95	...	Q7¼%	2.3	†8.5	—
35	26	Maxiprint 1p	30	..	—	—	—	—
477	375	Metal Box £1	455xd	−3	17.25	q2.8	5.4	6.6
170	136	Metal Closures	143	..	6.7	2.0	6.7	8.9
17	9	Metal Sciences 2½p	12	+1	—	—	—	—
104	73	Midland Marts	104d	...	4.0	1.8	5.5	13.2
83½	68	Mitchell Cotts	79	...	†4.0	1.5	8.2	10.0
230	182	Morgan Crucible	207	...	8.6	1.6	5.5	14.4
32½	22	Morris (W) F.A. 20p	32	−½	g0.5	♦	2.2	♦
110	91	Moss (Robt.) 10p	104	−3	3.0	2.5	4.1	11.5
81	68	Mysom Grp 10p	73	..	g2.5	3.4	4.9	13.9
328	214	NMW Computers	280xd	+5	b4.8	2.7	2.4	21.5
43	30	Nash Inds.	30	..	2.5	1.5	11.9	6.9
48	23	Neil & Spencer 10p	24	+1	♦	—	—	7.2
44	14½	Newman Inds. 10p	39	...	—	—	—	(28.5)
44	18½	Do. 10pc Cn.Cnv.Pf.	39		10%	—	3.7	—
55	43	Nolton	53	..	g1.1	4.5	3.0	8.9
183	146	Norcros	168	..	8.6	♦	7.6	♦
67	50	Nu-Swift 5p	54	...	3.0	1.6	7.9	10.3
110	68	Oakwood Grp.	110	+5	d4.5	1.4	5.8	(16.2)
230	150	Office & Elect	230	...	7.5	2.4	4.7	12.6
108	80	Oldacre 20p	80	...	u4.8	2.6	7.1	7.1
58	37	Optometrics $0.01	48	...	[illegible]	—	3.3	51.0
480	312½	Oriflame £1	440	...	g15.6	1.3	5.1	20.5
18	15	Ovenstone 12½c	17	...	†Q4.5c	♦	‡	♦
£178	£158	Ozalid 9pc Cnv 87-92	£174	...	Q9%	—	f5.2	—
185	105	PCT Grp 10p	140	..	g4.8	♦	4.8	♦
£14	£10¼	PLM "B" Sk 25	£11	...	Q21.6%	♦	4.8	♦
193	164	PSM Intl.	164	...	g6.25	2.5	4.6	11.2
60	50	Pacific Sales 10p	55	..	b2.4	2.2	6.2	(8.3)
204	165	Parker Knoll 'A'	186	−2	9.0	2.8	6.9	7.3

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

FINANCE, LAND—Cont.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

MINES—Continued

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

Tins

Miscellaneous

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Gr's
550	450	Cons. Murch. 10c	475	+25	†Q100c	1.4	[illegible]
40	28	Eones Int. Ir10p	30		—	—	[illegible]
215	157	Hampton Areas 10p	175	−2	3.75	2.1	[illegible]
260	155	Highwood Res.	160	−5	—	—	[illegible]
£22½	£18	Homestake Mining $1	£19⅞	+1	Q20c	—	[illegible]
310	190	McFinley Red Lake	210	..	—	—	[illegible]
300	195	Musto Explorations	237	−13	—	—	[illegible]
55	23	New Sabina Res C$1	42		—	—	—
375	260	Northgate C$1	270	+8	—	—	—
685	570	RTZ	580	+2	20.0	2.7	4.9
£145½	£125½	Do. 9¾pcLn 95-2000	£127	..	Q9½%	14.0	(7.7)
£14½	£10	Tara Explo $1	£11		—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- ≠ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim; reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xl ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Albany Inv 20p	100	..	Arnott	165	−10
Craig & Rose £1	900	..	CPI Hldgs	50	..
Finlay Pkg. 5p	61		Carrol Inds.	125	.....
Higsons Brew	235	−3	Dublin Gas	53	....
Holt (Jos) 25p	750	..	Hall (R. & H.)	59	....
IoM Stm. £1	77	−1	Heiton Hldgs	16	.....
IRISH			Irish Rope	45	...
Fund 11¼% 1988	£98	+¼	Jacob (W & R)	80	....
Nat 9¾% 84/89	£92¼		Unidare	85	...
Fin. 13% 97/02	£102¼				

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

For Options see Unit Trusts

LONDON STOCK EXCHANGE

MARKET REPORT

Gilts perform strongly as interest rate hopes revive authorities supply tap stock

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
June 3	June 13	June 14	June 24
June 17	June 27	June 28	July 8
July 1	July 11	July 12	July 22

* "New-time" dealings may take place from 9.30 am two business days earlier.

The combination of a strong exchange rate and lower money market interest rates gave London markets hope yesterday that a cut in bank base rates was not far away. Government securities naturally featured and demand was heavy enough to test the authorities for stock. The equity market, however, continued to suffer from a shortage of funds and seemed preoccupied with the likely opening premium of Abbey Life — the many times oversubscribed issue which attracted some £4.7bn — when dealings begin this morning.

The current trend towards cheaper money in the U.S. underpinned the Gilt-edged market's strength and traders noted overseas interest, although the bulk of yesterday's business emanated from domestic sources. The Government broker was soon bid for stock and after supplying the partly-paid tap. Treasury 10 per cent 2004, late the previous evening at 30¼ he sold at 30½ before withdrawing the price.

Buying enthusiasm cooled when sterling reacted from its highest level against the dollar and Gilt futures demonstrated a similar tendency. Subsequently the gains in longer-dated Gilt-edged stocks were pared from ¾ to ½ but the underlying tone remained very sound with sterling closing at around its best level for nearly a year at $1.3070. Contrary to the trend in conventional Gilts, index-linked issues sustained fresh losses as funds were switched out of the area.

The better feeling on Wall Street overnight instigated a firm opening in equities but the initial trend soon petered out. Some international stocks were adversely affected by the weaker dollar, while others merely marked time throughout an uninspiring session. British Telecom were an exception and fluctuated sharply after the announcement of the group's preliminary profits. These were much in line with expectations but talk that the proposed acquisition of Mitel had run into problems coupled with a report that a broking house had downgraded its profits projection for the current year saw BT move between 188p and 177p before closing a net 5 down at 179p. The FT Ordinary Share Index was affected and closed 2.9 down on the day at 982.9, after 987.0 at the opening calculation.

Life issues rise

Life issues made useful progress in anticipation of the eagerly-awaited market debut of Abbey Life — dealers suggested that the price would open at least 40p premium above the 180p per share offer-for-sale level. Legal and General put on 7 to 745p as did Equity and Law, to 270p, while Prudential added 8 at 705p. Britannic, 790p London and Manchester, 795p, and Sun Life, 880p, all rose 10 and Pearl hardened ½ to £12½. Elsewhere in Insurances, Composites continued to respond to Wood Mackenzie's optimistic annual review of the sector. General Accident put on 8 more to 635p and Sun Alliance gained 10 to 465p.

Midland again featured the major clearers, rising 10 more for a two-day advance of 25 at 383p, after 388p, on an upgraded profits forecast from stockbrokers Scrimgeour Vickers; the rise has also bee accompanied by vague talk of a bid from Hanson Trust. Barclays rallied strongly to close 12 better at 385p, while Lloyds, at 595p, and NatWest, at 665p, improved 5 apiece.

Among recent newcomers to the Unlisted Securities Market, Viewplan spurted 10 to 115p following small demand in a thin market.

The drinks sector, subject to substantial speculative activity on Tuesday, passed a much more sedate session yesterday. Allied-Lyons reacted to profit-taking and fell 6 to 208p, while Bass eased a similar amount to 540p. Arthur Bell gave up a couple of pence more to 268p.

The outstanding performance in an otherwise quietly mixed Building sector came from George Wimpey which advanced 8 to 124p still reflecting the chairman's optimistic statement at Monday's annual meeting. Elsewhere Heywood Williams picked up late to close 5 firmer at 137p, but profit-taking left recently-buoyant Marshalls (Halifax) 4 off at 238p.

ICI initially dipped to 737p but subsequently recovered to close little changed on balance at 742p. British Tar hardened 2 to 112p on further consideration of the 34 per cent jump in full-year profits and the £9.85m acquisition of Isinglass Manufacturers.

Stores better

Leading stores, relatively quiet of late, went better across the board, partly reflecting hopes of an imminent cut in interest rates. Woolworth, 405p, and British Home, 296p, rose 10 and 7 respectively, while Marks and Spencer improved 3 to 137p. Debenhams touched 388p before settling a net 5 up at 385p awaiting publication of the defence to the hostile bid from Burton; investors were also heartened by fresh talk of a consortium counter-bid and by the disclosure that the Al-Fayed controlled House of Fraser now holds 7.24 per cent of Debenhams.

Secondary Stores lacked recent speculative excitement but still closed firmer for choice. Combined English rose 4 to 149p on talk of a broker's bullish circular being in the offing. Bolton Textile, 21p, and Castle (GB), 25p, improved 3 apiece, but J. Hepworth met scattered offerings and gave up 5 at 225p, after 223p.

Among Shoes and Leather issues, Headlam Sims and Coggins slumped 6 to 35p on the marginal annual profit and final dividend omission.

British Telecom claimed most attention among the leading Elecetricals, but buyers did reappear for both GEC and Racal, which closed 4 higher at 174p and 186p respectively; Racal's annual figures are scheduled for next Monday. Thorn EMI improved 7 at 432p to the accompaniment of revived takeover talk, while STC rallied from an initial dull level of 138p to close unaltered at the overnight level of 144p BICC, on the other hand came on offer and dropped 8 to 212p, after 210p. Elsewhere, MK jumped 16 to 261p as buyers began to show an increased interest ahead of next Thursday's preliminary statement, while Dubilier advanced 8 to 150p in reply to an investment recommendation. Microvitec, at 60p, succumbed to profit-taking and lost 6 of Tuesday's rise of 11 which greeted news of the £4m ICL contract.

Hawker met with selling in the wake of the annual general meeting and dropped to 423p before rallying on cheap buying to close the day at 435p, down 11 on balance. Elsewhere in Engineerings, United Wire advanced 8 afresh to 201p on news of the agreed bid from Scapa, 13 lower at 412p. The appearance of a large buyer in a market none-too-well supplied with stock helped Camford move up 3 to 46p. Birmingham Mint firmed 7 more to 242p after further consideration of the £12m Indian coin contract. Arthur Lee rose 1½ to 43p in response to bumper interim profits and Spear and Jackson gained 4 to 154p following renewed speculative support. GEI, on the other hand, lost 7 to 103p after comment on the results.

Foods, buoyed earlier in the week by good full-year figures from Unigate, received a fresh boost following equally pleasing news from Northern Foods which advanced 12 to 252p, after 254p. Unigate added 2 more to 178p. Dee hardened 5 to 260p, after 264p, while Tesco put on a couple of pence to 252p. Nurdin and Peacock attracted persistent support, rising 12 to 158p, amid talk of a bid approach. Speculative demand was also noted for Bluebird Confectionery, up to 85p before closing 12 higher on balance at 82p.

Grand Metropolitan eased a couple of pence to 290p following confirmation of generic cigarette price increases by its U.S. subsidiary Ligget and Myers. Inn Leisure rose 3 to 71p following doubled mid-term profits.

Chas. Sharpe leap

Secondary issues provided the major features in miscellaneous industrials. Seed growers and merchants Charles Sharpe jumped 72 to 385p, after 410p, on news of the bid approach, while Brook Street Bureau rose 7 to 130p following persistent speculative buying fuelled by talk of a bid from Blue Arrow. Demand of a similar nature was also evident for Aaronson, 6 dearer at 104p, and old favourite Gestetner, 8 to the good at 122p. Marley added 3 to 87p after details of the sale and leaseback of 12 of its freehold and long leasehold retail warehouses occupied by its Payless DIY subsidiary to Courtaulds Pension Fund. Annual profits bang in line with expectations left Powell Duffryn a couple of pence dearer at 285p, while Kean and Scott advanced 6 to 40p following a revived interest. Awaiting takeover developments, Cole rose 6 to 192p, while Platon International gained 7 to 160p on further consideration of the results. Macarthy Pharmaceuticals were wanted at 186p, up 10, and Oakwood continued firmly at 110p, up 5. C. H. Industrials, however, softened a couple of pence to 52p in reaction to the £5m rights issue proposal that accompanied the results. Further profit-taking clipped 10 from A. and P. Appledore, at 350p, while Ecobric remained friendless, falling 3 more to 17p. An irregular trend was apparent in the leaders. Boots, still reflecting vague talk of a bid from Hanson Trust, hardened a few pence to 198p; the latter remained on offer at 190p, down 3.

Motors were mixed. News of the second joint venture with Honda continued to encourage BL, 2 up for a two-day gain of 8 to 41p, but Jaguar, on the other hand, dipped 7 to 283p amid worries that the current strength of sterling would hit export earnings. Among Components, Dowty rallied 5 to 189p, but Lucas Industries, buoyant of late on fresh takeover speculation coupled with talk of the potential benefits from A320 airbus contracts, encountered profit-taking and closed 8 lower at 327p. Trading statements provided some interest in otherwise idle Distributors.

Continued satisfaction with the proposed merger lifted Vantona Viyella 5 more to 370p—a gain of 36 since Monday's announcement; Nottingham Manufacturing hardened a couple of pence to 270p having earlier attained a newk 1985 high of 276p.

Tobaccos featured Imperial Group which touched 193p before settling 7 up on balance at 191p as Howard Johnson sale talk resurfaced.

Oils quiet

Turns in the oil sector contracted to the lowest level for some time. The leaders moved within narrow limits and generally ended the day showing marginal falls—BP closed 3 easier at 525p and Britoil were finally 2 off at 215p. It was thus left to the second-line and speculative stocks to provide much of the interest. Lack of support left Petranol and Saxon Oil down 10 apiece at 210p and 335p respectively, while ERIC, 210p and Caledonian Offshore were both around 5 easier. Jackson Exploration fell sharply to close 10 down at a year's low of 30p in the wake of the acutely disappointing results from the company's latest Indonesian drilling operations. Bristol Oil and Minerals, a strong performer in recent days, ran back 2 to 23p despite the U.S. gas discovery.

Golds higher

Mining markets continued to gain ground following the further batch of prime rate cuts announced in the U.S. on Tuesday evening. These reductions and hopes that the Federal Reserve Discount rate will be lowered in the next couple of days helped sustain the bullion price which followed Tuesday's strong performance with another steady showing to close a net 50 cents up at $325.25 an ounce.

South African Golds opened on a firm note, reflecting good gains in the U.S. overnight, and thereafter maintained their enhanced levels until the mid-afternoon when a slightly better trend in the dollar took prices off the top. The pound's latest upsurge again had a restraining effect on sterling's quotations but these were aided late in the day by the later reaction in the exchange rate and generally closed at around their best levels. The trend in sterling prices was illustrated by the Gold Mines Index which posted a 15.5 advance to 452.3—its best level since the end of May.

Randfontein highlighted the leading heavyweights, closing £3½ firmer at £79½, while Vaal Reefs and Western Deep attracted sustained support and rose £1½ apiece at £72½ and £35½ respectively. Cheaper-priced issues were quieter but provided features in Grootvlei, 613p, Elandsrand, 694p, and Consolidated Modderfontein, 565p, all of which showed rises of between 37 and 52.

South African Financial mirrored the latest gains in Golds. Gold Fields of South Africa ended the day ½ up at £13½, while "Amgold" rose £1½ to £60½ and Genbel 50 to 975p. Renewed Johannesburg support gave a further boost to De Beers which advanced 7 more to 420p — a three-day rise of 23.

Substantial improvements in Australian markets overnight were largely eroded at the outset of London trading when sterling rose sharply against the Australian currency. However, prices edzed higher during the session and generally closed with modest gains on balance. Golds showed Poseidon 7 up at 185p and Gold Mines of Kalgoorlie 10 firmer at 445p. Sons of Gwalia revived with a gain at 100p.

FINANCIAL TIMES STOCK INDICES

	June 19	June 18	June 17	June 14	June 13	June 12	year ago
Government Secs	82.17	81.85	81.73	81.56	81.45	81.56	78.89
Fixed Interest	86.45	86.25	86.18	86.12	86.11	86.15	82.92
Ordinary	982.9	985.8	988.3	979.1	977.0	984.0	814.9
Gold Mines	452.3	436.8	431.6	436.6	429.5	426.6	655.3
Ord. Div. Yield	4.72	4.70	4.69	4.72	4.72	4.69	4.86
Earnings, Yld.% (full)	11.80	11.75	11.72	11.81	11.80	11.72	11.27
P/E Ratio (net) (*)	10.34	10.39	10.42	10.34	10.35	10.42	10.66
Total bargains (Est.)	21,597	22,666	23,331	23,567	21,181	21,161	17,421
Equity turnover £m.	—	291.95	323.24	640.56	[illegible]	[illegible]	[illegible] 57
Equity bargains	—	18,340	20,406	22,861	19,043	17,766	13,4[illegible]
Shares traded (ml)	—	160.7	172.1	254.2	[illegible]	[illegible]	[illegible]9

10 am 987.0. 11 am 984.9. Noon 986.7. 1 pm 984.0.
2 pm 983.1. 3 pm 982.2.

Basis 100 Govt. Secs. 15/1/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil = 10.01.

HIGHS AND LOWS

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.17 (19/6)	78.02 (28/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	86.45 (19/6)	82.17 (28/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.5 (22/1)	928.7 (3/1)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	536.9 (15/4)	421.9 (10/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY INDICES

	June 18	June 17
Daily Gilt Edged Bargains	146.3	125.9
Equities Bargains	118.8	132.2
Equities Value	590.1	653.3
5 day Average Gilt Edged Bargains	132.1	131.0
Equities Bargains	127.5	126.2
Equities Value	617.1	623.1

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (59)

BRITISH FUNDS (16)
Treas. 8¼pc 1985; Treas. 8½pc '84-86; Treas. 7¼pc '85-88; Treas. 5pc '86-89; Fdg. 5¼pc '87-91; Fdg. 6pc 1993; Exchqr. 12½pc '94; Gas 3pc 1990-95; Treas. 9pc 1992-96; Redmptn. 3pc '86-96; Conv. 9¼pc 2001; Treas. 10pc 2004 (£30 paid); Conv. 9½pc 2004; Exchqr. 10½pc 2005; Consols 4pc; Conv. 3½pc '61 Aft.

INTL. BK. & O'SEAS GOVT. STLG. ISS. (5)
Asian Dev. Bk. 10¼pc Ln 2009; Euro. Inv. Bk. 11pc Ln. 2002; Australia 13½pc '10; N.Z. 11½pc 2014; Sweden 13½pc Ln '10

CORPORATION LOANS (1)
GLC 6¼pc 1990-92

LOANS (1)
Nationwide Bldg Soc. 12½pc 12/8/86

FOREIGN BONDS (1)
Iceland 14½pc 2016

AMERICANS (1)
Calfed Inc.

CANADIANS (1)
Intl. Corona Res.

BANKS (2)
Deutsche Bank; Midland Bank

BEERS (1)
Invergordon Dists.

BUILDINGS (1)
Trent Hldgs.

STORES (2)
Ratners; Vantona Viyella

ELECTRICALS (2)
Applied Holographs.; Applied Hologs. Wts.

ENGINEERING (1)
Camford Eng.

FOODS (3)
Blue Bird Confec'y; Unigate; Northern Foods

HOTELS (2)
Garfunkels Rstrnts.; Inn Leisure

INDUSTRIALS (6)
Brook St. Bureau; Oakwood; Cole; Powell Duffryn; Gestetner; Siebe

INSURANCE (4)
Allianz Versich.; Lond. Manch. Grp.; General Accident; Taisho Marine

MOTORS (1)
Cowie (T.)

PAPER (1)
Crown Ind. Prods.

PROPERTY (3)
City Site Estates; Samuel Props.; Regentcrest

TEXTILES (2)
Courtaulds 7pc Deb. 1982-87; Notts. Mfg.

MINES (2)
Anglovaal; Windsor Resources

NEW LOWS (93)

AMERICANS (16)
CANADIANS (2)
BUILDINGS (2)
CHEMICALS (4)
STORES (1)
ELECTRICALS (10)
ENGINEERING (2)
FOODS (2)
HOTELS (1)
INDUSTRIALS (9)
PROPERTY (4)
SHIPPING (1)
TOBACCOS (1)
TRUSTS (25)
OILS (8)
PLANTATIONS (3)
MINES (2)

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

Issue price	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price	+ or −
[illegible]							
186	Nil	—	25pm	8pm	Hanson Trust	[illegible]	−1
120	F.P.	12/7	132	122	Suter 5p	122	−1
370	Nil	—	30pm	17pm	Taylor Woodrow	25pm	.....
10	F.P.	12/7	40½	27	"The Times" Veneer	38	.....
150	F.P.	12/7	211	178	Tomkins (F.H.) 5p	207	−2
2	Nil	22/7	1½pm	½pm	Willaire Systems	¾pm	+¼

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ‖‖ Allotment letters or fully paid. ‖‖ Introduction. ✱ Unlisted Securities Market. § Placing price. ‡‡ Dealt in under Rule 535 (3).

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Aaronson Bros.	104	+6
Atlantic Res.	60	+6
BL	41	+2
British Telecom	179	−5
Hawker Siddeley	435	−11
Lee (Arthur)	43	+1½
Legal and General	745	+7
Midland Bank	383	+10
Northern Foods	252	+12
Nurdin and Peacock	158	+12
Pentland Inds.	£10½	−0⅛
Rank Organisation	342	+2

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Distillers	18	299	+13
Hanson Trust†	16	9pm	−3
Grand Met.	15	292	+7
Midland Bank	14	373	+16
Notts. Manfg.	14	268	+12
Cns. Gold Fds.	13	543	+16
Everedy†	12	25pm	—
ICI	12	743	−3
V'ntona Viyella	12	365	+21
Allied-Lyons	11	214	+6
Bell (Arthur)	11	270	−3
Sun Alliance	11	455	−5
Tricentrol	11	217	+10
Boots	10	195	−3

† Nil paid.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
June 10	June 21	Sept 12	Sept 23
June 24	July 5	Sept 26	Oct 7
July 8	July 19	Oct 10	Oct 21

For rate indications see end of Share Information Service

Stocks favoured for the call included West Coast, French Kier, Sun Oil Royalties, A. G. Stanley, STC and Macarthys Pharmaceuticals. No puts were reported, but a double option was done in Falcon Resources.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	88	10	10
Corpns. Dom. & Foreign Bonds	35	1	40
Industrials	238	282	864
Financial & Props.	83	124	346
Oils	17	36	74
Plantations	0	7	11
Mines	83	11	86
Others	45	98	81
Totals	589	549	1,601

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Wed June 19 1985

[illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

FIXED INTEREST

[illegible]

EUROPEAN OPTIONS EXCHANGE

[illegible]

TOTAL VOLUME IN CONTRACTS: 22,436

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Jly.	Calls Oct.	Calls Jan.	Puts Jly.	Puts Oct.	Puts Jan.
B.P. (*526)	460	73	88	—	3	10	—
	500	35	53	67	6	15	22
	550	10	23	38	30	33	42
	600	1½	11	20	80	82	87
[illegible]							

Option		Calls Aug.	Calls Nov.	Calls Feb.	Puts Aug.	Puts Nov.	Puts Feb.
LASMO (*253)	240	32	43	50	6	12	15
	260	20	28	37	17	20	25
	280	12	16	27	33	35	35
	295	6	13	—	45	45	—
	300	—	—	17	—	—	55
[illegible]							

June 19 Total contracts 8,091 Calls 4,98[illegible] Puts 3,13[illegible]

*Underlying security prices

WORLD STOCK MARKETS

AUSTRIA

June 19	Price Sch%	+ or —
Creditanstalt	391	+5
Goesser	515	+7
Interunfall	1,850	—50
Laenderbank	383	+6
Perlmooser	655	—15
Steyr-Daimler	182	+2
Veitscher Mag	562	-18

BELGIUM/LUXEMBOURG

June 19	Price Frs.	+ or —
B.B.L.	1,980	-35
Banq. Int. A. Lux	6,020	
Bekaert B.	5,850	
Ciment CBR	2,490	+6
Cockerill	223	
Delhaize	9,200	
EBES	3,060	+20
Electrobel	6,400	+40
Fabrique Nat	2,000	-10
GB Inno BM	4,690	+10
GBL (Brux)	1,950	+25
Gevaert	3,800	—10
Hoboken	5,630	+80
Intercom	2,240	+20
Kredietbank	9,090	+90
Pan Hldgs.	10,950	
Petrofina	5,720	-30
Royale Belge	12,100	+200
Soc. Gen. Banq	3,495	+35
Soc. Gen. Belge	1,880	+30
Sofina	7,160	
Solvay	4,375	-25
Stanwick Intl.	1,500	
Tractionel	3,795	+35
UCB	5,180	+20
Wagon Lits	3,450	+5

DENMARK

June 19	Price Knr %	+ or —
Andelsbanken	305	
Baltic Skand	580	
CopHandelsbank	300	-6
D. Sukkerfab	475	
Danske Bank	316	
De Danske Luft	1,100	
East Asiatic	290	
Forenede Brygg.	890	
Forenede Damp.	149	+4
GNT Hldg	400	
I.S.S.B.	435	
Jyske Band	655	+10
Novo Ind	1,620	
Privatbanken	285	
Provinsbanken	350	
Smidth (F)	249	
Sophus Berend	1,050	
Superfos	427	+9

FRANCE

June 19	Price Frs.	+ or —
Emprunt 4½% 1973	1,610	+8
Emprunt 7% 1973	8,297	-22
Accor	270	-4
Air Liquid	665	+8
BIO	540	-9
Bongrain	1,934	-5
Bouygues	800	-2
BSN Gervais	2,525	-15
CIT-Alcatel	1,295	
[illegible]		

GERMANY

June 19	Price Dm.	+ or —
AEG-Telef	134.5	+1.2
Allianz Vers	1475xr	+75
BASF	283.5	+0.4
Bayer	231.5	-0.2
Bayer-Hypo	348.5	+6.5
Bayer-Verein	362.5xd	+9.5
BHF-Bank	326	-3.5
BMW	435.5	-11.5
Brown Boveri	234.7	-3.3
Commerzbank	204.5	
Cont'l. Gummi	153.3	+3.8
Daimler-Benz	836	+7.5
Degussa	366	+18
D'sche Babcock	150.7	-0.7
Deutsche Bank	562.5xd	+7
Dresdner Bank	230.2xd	+1
GHH	159.5	0.4
Hochtief	552	+2
Hoechst	225.7m	+1.2
Hoesch Werke	110.3	—0.8
Holzmann (P)	475	-4
Horten	183	+4.8
Hussel	285	-0.2
Karstadt	233	+1.5
Kaufhof	247.5	—0.5
KHD	269.5	-6.5
Kloeckner	67.7	—1.3
Linde	503	+16.5
Lufthansa	202	+3
MAN	156	+9
Mannesmann	185.6	+3.6
Mercedes Hld	743	+13
Metallgesel	263	+3
Munech Rueck	1,895	—45
Nixdorf	625	—2
Porsche	1270	—19
Preussag	279	-0.5
Rhein West Elect	184.1	+3.1
Rosenthal	246	-7.2
Schering	490.5	+12.5
Siemens	585	+8
Thyssen	112.4	-0.1
Varta	234	+5.5
Veba	212.5	+6.5
V.E.W.	137	0.8
Verein-West	329	-1
Volkswagen	317	-4.5

ITALY

June 18	Price Lira	+ or —
Banco Com'le	23,170	+370
Bastogi IRBS	233	-2
B.I-invest	3,820	-60
Centrale	3,540	
Credito Varesino	4,250	-30
Fiat	3,555	
Finsider	70.8	
Generali Assicur.	50,800	+500
Italcementi	48200xa	—600
La Rinascenti	902.5	+3.5
Montedison	1,878	
Olivetti	6,420	-130
Pirelli Co	4,255	-77
Perelli Spa	2,680	
Snia BPD	2,984	
Toro Assic	15,900	-110
do Pref	12,300	

NETHERLANDS

[illegible]

SWEDEN

[illegible]

SPAIN

[illegible]

NORWAY

[illegible]

SWITZERLAND

[illegible]

AUSTRALIA

[illegible]

AUSTRALIA (continued)

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

JAPAN (continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK—DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

New York Active Stocks

[illegible]

TORONTO

	June 19	June 18	June 17	June 14	1985 High	1985 Low
Metals & Minls	1,887.2	1,899.4	1,888.9	1,901.4	2198.7 (13/2)	1896.0 (4/1)
Composite	2,703.7	2,725.4	2,712.7	2,712.5	2786.1 (5/6)	2348.5 (8/1)
MONTREAL Portfolio	132.48	133.78	133.80	133.12	135.56 (5/6)	117.88 (4/1)

* Indicates pre-close figure

AUSTRALIA — HONG KONG — ITALY — JAPAN — NETHERLANDS — NORWAY — SINGAPORE — SOUTH AFRICA — SPAIN — SWEDEN — SWITZERLAND — WORLD

[illegible]

** Saturday June 15: Japan Nikkei-Dow 12,753.38. TSE 1,009.83.

Base value of all indices are 100 except JSE Gold—255.7. JSE Industrial—264.3, and Australia. All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. u Unavailable.

CANADA

TORONTO

Closing prices June 19

[illegible]

MONTREAL

Closing prices June 19

[illegible]

Total Sales 2 049 994 shares

OVER-THE-COUNTER

Nasdaq national market, closing prices

Continued from Page 45

[illegible]

LONDON

Chief price changes
(In pence unless otherwise indicated)

RISES

Tr 12½ pc 03/05	£115⅞	+ ½
Aaronson Bros.	104	+ 6
ACM	69	+ 5
Barclays	385	+12
Blue Bird Confect	82	+14
Brook St Bureau	130	+ 7
Dubilier	150	+ 8
Equity & Law	270	+ 7
Gestetner	122	+ 8
Imperial Group	191	+ 7
MK Electric	261	+16
Macarthys	186	+10
Pharm	383	+10
Midland Bank	252	+12
Northern Foods	158	+12
Nurdin & Peac.	385	+72
Sharpe (Chas)	100	+ 6
Sons of Gwalia	201	+ 8
Utd Wire	124	+ 8
Wimpey (George)		

FALLS

Tr 2½ pc IL 20	£92½	— ¼
BICC	212	— 8
British Tel	179	— 5
Hawker Sidd	435	—11
Headland Sims	35	— 6
Jaguar	283	— 7
Kenning	100	— 6
Lucas	327	— 8

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

[illegible]

Continued on Page 45

NYSE COMPOSITE CLOSING PRICES

Continued from Page 44

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
43⅛	23	ReichC	.80	2.1	10	201	38¼	37¾	38⅛	+½
8¾	3¼	RepAir			10	1873	8⅛	7⅞	8	
2	1⅛	RepA wi				178	1½	1⅜	1⅜	
12¾	4¾	RpGyps	.30	3.0	10	174	10	9⅝	9⅞	−⅛
49¾	31½	RepNY	1.64	3.6	8	44	45⅛	45	45	−⅛
27⅝	20¾	RNY pfC	3.13	12.		19	27¼	27	27	−¼
57½	52	RNY pfA	6.61e	12.		4	55	55	55	−½
34½	21½	RepBk	1.64	4.9	7	11	33⅝	33⅛	33⅜	+⅛
24	15⅝	RshCot	.32	1.3		240	24	23½	24	+⅜
32⅞	22½	Revco	.80	3.2	13	593	25	24⅝	24¾	−¼
14⅛	9⅞	vjRever				95	12⅜	11⅞	11⅞	−⅜
40⅞	32½	Revlon	1.64	4.6	13	4630	40¼	39¼	40	+½
24¼	17¾	Rexhm	.70	3.2	15	60	22	21⅞	22	+⅛
17	11¾	Rexnrd	.44	3.2	9	202	13¾	13½	13⅝	
32¼	29½	Reynlns				7594	u32½	31⅞	32	−⅛
50	46⅝	Reyln pf	4.10	8.5		35	48¾	48½	48½	−¼
112¼	101⅜	Reyln pf				2	109⅝	109⅝	109⅝	
41¼	26	ReyMtl	1	3.1	6	261	32⅜	32⅛	32⅜	+⅛
35	25¾	RchVck	1.48	4.5	10	509	32⅞	32½	32⅝	−⅜
29	17¼	RiegelTx	.80	9.2		57	19⅝	18⅞	18⅝	+¾
33½	18½	RiteAid	.50	2.0	15	4699	25⅞	24¾	25⅜	+¼
7⅞	3⅝	RvrOk n			11	248	4⅝	4⅜	4⅜	
36⅝	27¼	Robshw	1.2	3.8	7	51	31⅜	31	31	−⅜
44½	28¼	Robtsn	1.60	5.5	17	97	29¼	28½	28⅞	−⅝
24⅜	12	Robins				398	17⅛	16⅞	17	−¼
24⅜	13½	RochG	2.20	9.1	7	457	24¼	23⅞	24⅛	+⅛
39¾	27½	RochTl	2.44	6.3	10	89	39	38⅝	38¾	−⅜
39⅛	27	Rockwl	1.12	3.1	10	1186	36¾	36	36⅛	−⅜
137	99	RkInt pf	1.35	1.0		1	129⅛	129⅛	129⅛	−1½
71½	48⅛	RohmH	2	3.2	10	58	64	63¼	63¼	−¾
55½	33	Rohrin			10	200	55½	54⅞	55	+⅜
25⅜	12½	RolnCm	.40	1.6	34	66	24⅞	24¾	24¾	
29⅝	8¼	RollnE s	.07e	.3	29	194	26¼	25⅞	26⅛	+⅜
12⅜	6⅞	Rollins	.48	4.2	16	77	10⅞	10⅝	10⅞	
4½	2	Ronson				33	2⅛	2	2⅛	
19	12⅞	Roper	.64	4.3	17	65	14⅞	14⅝	14⅞	+¼
35⅛	24	Rorer	1.12	3.3	16	1512	34	33½	33¾	
13	8	Rowan	.12	1.5	41	3722	8⅛	d7¾	7⅞	

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s). b—annual rate of dividend plus stock dividend. c—liquidating dividend. cld—called. d—new yearly low. e—dividend declared or paid in preceding 12 months. g—dividend in Canadian funds, subject to 15% non-residence tax. i—dividend declared after split-up or stock dividend. j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k—dividend declared or paid this year, an accumulative issue with dividends in arrears. n—new issue in the past 52 weeks. The high-low range begins with the start of trading. nd—next day delivery. P/E—price-earnings ratio. r—dividend declared or paid in preceding 12 months, plus stock dividend. s—stock split. Dividends begins with date of split. sls—sales. t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u—new yearly high. v—trading halted. vi—in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd—distributed. wi—when issued. ww—with warrants. x—ex-dividend or ex-rights. xdis—ex-distribution. xw—without warrants. y—ex-dividend and sales in full. yld—yield. z—sales in full.

AMEX COMPOSITE CLOSING PRICES

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
[illegible]							

OVER-THE-COUNTER

Nasdaq national market, closing prices

Stock	Sales (Hds)	High	Low	Last	Chng
[illegible]					

Continued on Page 43

FINANCIAL TIMES
WORLD STOCK MARKETS

WALL STREET

Prime cuts fail to ignite enthusiasm

THE CUTS in bank prime rates continued to buoy Wall Street stocks yesterday, although investors were inclined to hold back ahead of today's Commerce Department "flash" estimate of second-quarter GNP trends, *writes Terry Byland in New York.*

A downturn in personal income in May lent further credence to views that the U.S. economy is slowing abruptly.

The stock market dropped through the Dow 1,300 mark again at the end of the session when the bond market weakened by a full point while awaiting news from the auction of Treasury notes. The Dow Jones industrial average, four points up a noon, closed a net 7.39 points down at 1,297.38 on turnover of 109m shares.

But bond yields and money-market rates moved higher in early trading, behind firmness in the dollar in New York. Bond markets faced an important auction of $9.25bn in two-year Treasury securities at noon, a curtain raiser for the $17bn Treasury mini refunding over the next fortnight.

However, credit markets remained convinced that a reduction in federal discount rate, and perhaps another half point cut in primes, is in the offing. Federal funds remained low, and when the rate touched 6½ per cent, the Fed signalled, with another round of matched sales, that the fall had been steeper than it liked.

There were substantial recoveries in Data General, $1 up at $33, and Digital Equipment, $¼ higher at $88¾. The mainframe manufacturers were helped by an improvement of $1¼ in Honeywell at $56⅞, after falling on Tuesday on a bearish profit forecast from the board.

IBM lost $½ to $119⅞, Burroughs $1¼ to $56¼ and NCR $⅛ to $28⅞.

Banking stocks turned cautious as the market waited to see if the major names would cut prime rates again – the falls in money-market rates over the past month would justify a reduction to 9 per cent in bank primes.

Bankers' Trust shed $¼ to $69½, but J. P. Morgan added $½ to $51½. Chase Manhattan at $58¼ was $⅝ down.

The news from U.S. industry was no better. Goodyear Tire laid off workers, but the stock price edged up $⅜ to $30⅛. A slashed dividend payout from Fairchild Industries left the stock $½ down at $14½.

Engineering stocks were nervous, with Cummins Engine a further $3⅜ of at $61⅝ in response to the company's warning on sales trends. Aerospace issues also lagged behind the market.

Auto stocks rallied from a dull start, however. Chrysler at $35⅛ and Ford at $44½ were below overnight levels, and General Motors at $70⅞ remained $1¾ off.

Lower prices for world crude held the oil sector back but continued to bolster airline stocks. United, despite some criticism in the investment press, added $¼ to $53½, and American, pressing United hard for the top position in the domestic carrier side, fell $⅜ to $44¾. Pan American slipped $⅜ to $6½.

The tremors in the U.S. dollar helped pharmaceuticals. Merck, at $112⅝, gained a further $½, and Pfizer put on $¼ to $49. However, support for pharmaceuticals slackened as the dollar rallied.

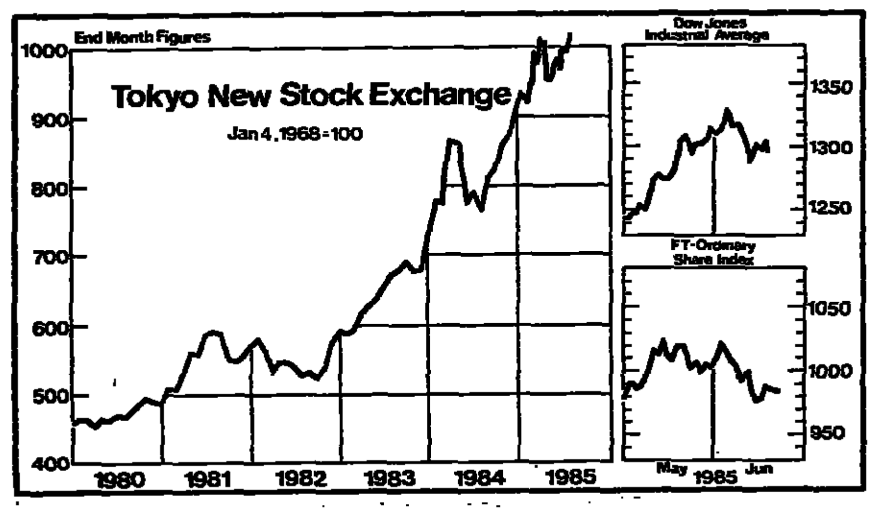
Special features among the industrials included Mattel, the toymaker, $¼ up at a new 12-month peak of $15¾ in heavy turnover after a major broker raised its earnings forecast for the company. There was renewed activity in Jack Eckerd, $1½ up at $29¼ as the market awaited a move in the debate with the Dart group, which holds 5 per cent and is considering taking full control. Eckerd is suing to stop Dart.

There were some irregular changes in retail stocks after disclosure that U.S. personal incomes had fallen in May. May Department Stores, $⅝ up at $55¾, continued to attract buyers, but K mart, the leading discounter, dipped $¼ to $37⅞, and Federated Department Stores at $37½ shed $⅝.

In the credit markets, the Fed's intervention to discourage the fall in federal funds again proved fruitless. The rate dipped a further ¼ point to 6¼ per cent after the announcement of matched sales by the board.

A downturn in bond futures at midday soon overflowed into the cash market, and losses were extended to more than half a point. Traders anticipated some disappointment with the outcome of the auction of two-year notes.

KEY MARKET MONITORS



STOCK MARKET INDICES

	June 19	Previous	Year ago
NEW YORK			
DJ Industrials	1,297.38	1,304.77	1,115.83
DJ Transport	639.28	643.38	469.55
DJ Utilities	164.55	165.37	123.75
S&P Composite	186.63	187.34	152.81
LONDON			
FT Ord	982.9	985.8	814.9
FT-SE 100	1,284.1	1,284.0	1,056.0
FT-A All-share	621.05	621.21	488.42
FT-A 500	678.15	679.3	532.52
FT Gold mines	452.3	436.8	653.3
FT-A Long gilt	10.52	10.56	10.70
TOKYO			
Nikkei-Dow	12,773.5	12,741.1	10.197.3
Tokyo SE	1,018.8	1,011.50	780.15
AUSTRALIA			
All Ord.	851.3	840.2	648.2
Metals & Mins.	513.3	495.3	423.1
AUSTRIA			
Credit Aktien	104.67	105.09	54.35
BELGIUM			
Belgian SE	2,333.51	2,326.35	—
CANADA			
Toronto			
Metals & Minls	1,887.2	1,899.41	1,919.0
Composite	2,703.7	2,725.47	2,225.4
Montreal			
Portfolio	132.48	133.76	108.02
DENMARK			
SE	193.12	192.65	183.16
FRANCE			
CAC Gen	223.3	223.2	164.8
Ind. Tendance	125.6	125.1	87.1
WEST GERMANY			
FAZ-Aktien	475.7	470.02	342.75
Commerzbank	1,406.3	1,390.5	987.2
HONG KONG			
Hang Seng	1,510.28	1,427.06	927.39
ITALY			
Banca Comm.	337.10	334.20	201.36
NETHERLANDS			
ANP-CBS Gen	210.1	209.8	151.3
ANP-CBS Ind	175.0	175.0	119.8
NORWAY			
Oslo SE	326.80	326.23	250.41
SINGAPORE			
Straits Times	782.36	781.92	921.29
SOUTH AFRICA			
JSE Golds	–	1,010.0	970.3
JSE Industrials	–	969.0	957.6
SPAIN			
Madrid SE	106.43	106.53	86.79
SWEDEN			
J & P	1,317.48	1,313.80	1,437.42
SWITZERLAND			
Swiss Bank Ind	434.4	434.1	358.9
WORLD	June 18	Prev	Year ago
Capital Int'l	212.1	210.8	173.9

GOLD (per ounce)

	June 19	Prev
London	$325.25	$324.75
Zürich	$325.85	$323.75
Paris (fixing)	$323.42	$319.50
Luxembourg	$325.50	$319.25
New York (Aug)	$324.80	$330.50

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR June 19	U.S. DOLLAR Previous	STERLING June 19	STERLING Previous
$	–	–	1.307	1.2995
DM	3.02	3.028	3.945	3.935
Yen	247.45	247.5	323.0	322.0
FFr	9.21	9.2425	12.035	12.025
SwFr	2.529	2.5385	3.31	3.3
Guilder	3.406	3.4165	4.455	4.4475
Lira	1,930.0	1,936.5	2,519.0	2,518.0
BFr	60.85	61.15	79.5	79.45
C$	1.3645	1.3675	1.779	1.7745

INTEREST RATES

	June 19	Prev
Euro-currencies (3-month offered rate)		
£	12¼	12⅜
SwFr	5¼	5⅜
DM	5 9/16	5⅝
FFr	10 7/16	10⅜
FT London Interbank fixing (offered rate)		
3-month U.S.$	7⅜	7½
6-month U.S.$	7⅝	7 11/16
U.S. Fed Funds	6½	6¾
U.S. 3-month CDs	7.00	7.00
U.S. 3-month T-bills	6.73	6.625

U.S BONDS

Treasury	June 19* Price	June 19* Yield	Prev Price	Prev Yield
9¾ 1987	101 5/32	8.48	101 17/32	8.36
11¾ 1992	108 25/32	9.931	109 11/32	9.83
11¼ 1995	107 20/32	10.015	108 10/32	9.91
11¼ 2015	106 13/32	10.332	109 13/32	10.23
Corporate	**June 19***		**Prev**	
AT & T	Price	Yield	Price	Yield
10⅜ June 1990	102	9.85	102	9.85
3⅝ July 1990	81¾	8.50	81⅝	8.50
8¾ May 2000	85	10.80	85	10.80
Xerox				
10⅞ March 1993	100⅜	10.50	100⅜	10.50
Diamond Shamrock				
10⅜ May 1993	100¼	10.60	100¼	10.60
Federated Dept Stores				
10⅜ May 2013	95.083	11.20	95.083	11.20
Abbot Lab				
11.80 Feb 2013	105.961	11.10	105.961	11.10
Alcoa				
12¼ Dec 2012	104.474	11.70	104.474	11.70

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT)				
8% 32nds of 100%				
Sept	77–22	78–15	78–04	78–26
U.S. Treasury Bills (IMM)				
$1m points of 100%				
Sept	93.06	93.30	93.11	93.23
Certificates of Deposit (IMM)				
$1m points of 100%				
June	92.77	92.80	92.79	92.88
LONDON				
Three-month Eurodollar				
$1m points of 100%				
Sept	92.29	92.45	92.28	92.38
20-year Notional Gilt				
£50,000 32nds of 100%				
June	107–06	107–12	107–06	106–29

COMMODITIES

(London)	June 19	Prev
Silver (spot fixing)	488.95p	489.65p
Copper (cash)	£1,115.50	£1,129.50
Coffee (July)	£2,003.50	£2,023.50
Oil (spot Arabian light)	$26.725	$26.75

TOKYO

Firmer yen gives signal to advance

THE PRIME rates reductions by major U.S. banks combined with the yen's surge to its highest level this year to stimulate corporations and institutional investors to seek large-capital issues in Tokyo yesterday, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average rebounded 32.48 to 12,773.59, with 873.47m shares traded, up from 821.91m on Tuesday. The index rose above 12,800 in early trading but slackened later on profit-taking. Declines outnumbered advances 445 to 382, with 119 issues unchanged.

Buying of large-capital stocks was accelerated by the overnight U.S. prime rates cuts, the dollar's slide to below Y247 and high prospects for a crude oil price reduction by Opec.

Mitsubishi Heavy Industries, which remained the most active stock with 86.15m shares changing hands, gained Y3 to Y339 after soaring to Y346 at one stage. Nippon Steel was second with 80.45m, up Y6 to Y172.

Tokyo Gas put on Y1 to Y244 on expectations of greater appreciation of the yen against the U.S. dollar and lower interest rates. Tokyo Electric Power firmed Y20 to Y2,180.

Mitsubishi Oil gained Y18 to Y443, and Maruzen Oil Y18 to Y330, while Nippon Oil, a Y58 gainer on Tuesday, shed Y10 to Y989.

Selective buying of large-capital issues spread to chemicals. Mitsui Toatsu, fifth most active with 22.10m shares exchanged, firmed Y3 to Y258. Sumitomo Chemical rose Y3 to Y269. Teijin, fourth with 24.16m, gained Y8 to Y486.

Interest in non-life insurances revived, with Yasuda Fire and Marine adding Y38 to 593, Taisho Marine and Fire Y41 to Y566 and Sumitomo Marine and Fire Y32 to Y748.

Among electric railways, Keisei Electric Railway moved wildly on speculative interest in its reconstruction plan. The stock lost Y10 in the morning but rebounded to Y446, up Y19.

Elsewhere, Shionogi climbed Y21 to Y930 on revived interest in its biotechnology projects. All Nippon Airways added Y37 to Y713, and Mitsukoshi rose Y30 to Y672.

However, blue chips remained weak, with Sony plunging Y50 to Y3,900, Fujitsu Y30 to Y1,000 and Nippon Kogaku Y80 to Y1,070.

Biotechnology-related issues were patchy. Asahi Chemical lost Y18 to Y982, while Yamanouchi surged Y90 to Y3,060 and Dainippon Pharmaceutical Y70 to Y3,630.

Bonds firmed in active trading, reflecting growing expectations of an early reduction in the U.S official discount rate.

The yield on the barometer 7.3 per cent government bond maturing in December 1993 fell from 6.45 per cent to the lowest ever level of 6.425 per cent.

AUSTRALIA

A DECLINE in the U.S. dollar directed buyers towards resource stocks in Sydney and combined with a firmer bullion price which sent gold issues higher.

Strong gains by BHP, up 10 cents at A$6.16, CRA 24 cents at A$5.92 and Aberfoyle 20 cents at A$10.50, took the All Resources index 14.1 higher to 564.9.

In golds, Gold Mines of Kalgoorlie rose 40 cents to A$8.50, Central Norseman added 30 cents to A$7.50 and Kidston put on 25 cents to A$4.00.

Castlemaine Toohey turned higher after falls in the previous two sessions to end 18 cents up at A$5.90.

CANADA

GOLDS lost some of their previous day's lustre as most stocks moved slightly lower in Toronto.

Industrials saw some improvement, however, with Alcan up C$¼ to C$33⅝ and Laidlaw C$⅜ ahead at C$13⅞.

Gold issue Lake Shore Mines traded C$¼ lower at C$74¾, and Canamax drifted off C$⅛ to C$5⅝.

Banks showed losses in Montreal while industrials and utilities edged slightly firmer.

EUROPE

Frankfurt hops from peak to peak

FOR THE SIXTH TIME this month, the Frankfurt bourse reached a record level as foreign buyers forced profit-takers aside and drove prices sharply higher.

The round of cuts in U.S. prime rates provided inspiration for the British and U.S. investor dominated interest which centred on banking issues, while automotive stocks rode high on domestic support generated by confidence in the sector's earnings outlook.

The Commerzbank index added a further 14.80 above Tuesday's record level to close at 1,405.30.

A mild opening, tempered by profit-taking, prompted speculation that a technical reaction to Tuesday's advance would develop. However, this possibility faded as foreign buyers began concerted forays into a broad range of stocks, particularly those with interest-rate sensitivity.

Volkswagen, which traded as low as DM 189 earlier this year, continued its surge forward on the back of higher profit expectations and finished DM 4.50 higher at DM 317.

Among other automotive stocks, BMW gained DM 11 to DM 436.50, Daimler-Benz DM 7.50 to DM 836 and Conti-Gummi DM 3.80 to DM 153.30.

Moving against the flow, Porsche fell DM 19 to DM 1,270.

Insurer Allianz firmed a further DM 75 to DM 1,475, while in the banking sector Deutsche Bank gained DM 7 to DM 562.50 and Dresdner DM 1 to DM 230.20.

Bond prices closed higher in active trading.

Zurich was the strongest of the other European bourses, although buying remained selective and concentrated on stocks most likely to benefit from the lower U.S. interest rates.

Among these, Crédit Suisse firmed SwFr 35 to SwFr 2,720, Union Bank SwFr 15 to SwFr 4,101 and Bank Leu SwFr 50 to SwFr 3,900.

Chemical stocks were also in demand. Sandoz led the field with a SwFr 50 rise to SwFr 8,325 while Hoffmann-La Roche gained SwFr 25 to SwFr 9,075. Ciba Geigy, however, eased SwFr 15 to SwFr 3,075.

Swiss bonds closed steady, with foreign paper boosted by the firmer Swiss franc.

Paris shook off a weak start to finish mixed to moderately higher. The tempo of trading quickened, leaving turnover at a relatively high level at the close.

Drink stocks were mixed, with Perrier adding another FFr 17 to FFr 550 and Pernod FFr 7 to FFr 768, although Moët Hennessy was again hit by profit-taking and closed FFr 15 lower at FFr 1,945.

Influenced by the U.S. interest-rate movements and a technical reaction to the recent selling, **Brussels** gained ground during active trading.

Kredietbank led a strong banking sector with a BFr 90 improvement to BFr 9,090. Petrofina was clipped back BFr 30 to BFr 5,720, while Gevaert dropped BFr 10 to BFr 3,800.

Wagons Lits moved forward after the recent heavy selling in the stock to end BFr 5 higher at BFr 3,3450.

Price movements were generally small in **Amsterdam** – reflected in marginal changes in key indices – despite the announcement of a projected 20 per cent increase in investment on plant and equipment this year.

Banks struggled to hold their ground, with improvers including NMB Fl 1 higher at Fl 197 and Amro 10 cents up at Fl 80.60, while ABN closed 50 cents down at Fl 459.

Milan share prices closed higher during heavy trading in a wide variety of stocks, although blue chips led the way.

Madrid eased in quiet trading, with banks and communication stocks marginally lower.

Leading stocks in **Stockholm** failed to hold early gains and closed holding modest losses.

SOUTH AFRICA

MOST shares were little changed in Johannesburg. However, gold firmed on a stronger bullion price.

Randfontein added R4.50 to R200, Buffels rose R3 to R78.75 and Dreifontein put on R1 to R50.25.

Banks were mixed, with Barclays 10 cents easier at R18.80 and Nedbank 20 cents higher at R14.60.

Industrials also benefited with additional aid from a continued decline in local interest rates.

LONDON

THE combination of a strong exchange rate and lower money market interest rates gave London hope that a cut in bank base rates was not far away.

Government securities featured, but the equity market continued to suffer from a shortage of funds and seemed pre-occupied with the likely opening price of Abbey Life.

A firmer early trend in equities soon petered out, and the FT Ordinary share index ended 2.9 down at 982.9.

Gilts traded lower as sterling drifted from its highest levels against the dollar, and gains in the longer-dated gilts were pared from ¾ to ½. Index-linked issues sustained fresh losses as funds were switched out of the area.

Chief price changes, Page 43; Details, Page 42; Share information service, Pages 40–41

HONG KONG

BARGAIN hunters entered Hong Kong yesterday to pick up low-priced issues which were heavily sold on Tuesday.

The Hang Seng index put on 83.20 to 1,510.28, the best gain since November 1981.

Investors appeared to be reacting well to assurances given by the Bank of China over its willingness to aid small banks facing rumoured liquidity problems.

Bank of East Asia added HK$1.50 to HK$23.70, Hang Seng HK$3.75 to HK$46.25 and Ka Wah 10 cents to HK$1.11.

Elsewhere, Hutchison Whampoa gained HK$1 to HK$24, and Jardine Matheson was 60 cents ahead at HK$11.10.

SINGAPORE

QUIET TRADING dominated ahead of today's local holidays in Singapore and Malaysia. Most shares ended slightly higher.

Pan Electric, which has been popular for the last two sessions, again topped the active list with 429,000 shares traded. It added 6 cents to S$2.43.

Buying interest in blue chips took Genting 5 cents higher to S$6.10 and Sime Darby 2 cents ahead at S$1.95.

In banks, OCBC and UOB were unchanged at S$9.05 and S$4.06 respectively, while DBS gained 5 cents to S$5.90 and OUB shed 2 cents to S$3.12.